LARA KLINE AND SIMONE KRANENDONK

Europe In Crisis: Addressing Changing Patterns Through Innovation
ABOUT THE PROJECT
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ABOUT THE PAPER SERIES
Policy Research Reports are occasional studies that provide support or background information for wider research projects. They include reviews of scientific literature, state of the art reports, and country studies. They are works in progress and offer practical combinations of academic and policy writing.

Lara Kline and Simone Kranendonk were students in the Master of Arts program of the Department of Public Policy at Central European University during the 2013-2014 Academic Year.

The views in this report are the authors’ own and do not necessarily reflect those of the Center for Policy Studies, Central European University, nor the International Federation of Red Cross and Red Crescent Societies.

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EUROPE IN CRISIS:
ADDRESSING CHANGING PATTERNS THROUGH INNOVATION

Prepared for the Europe Zone Office of the International Federation of Red Cross and Red Crescent Societies

by

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May 2014

Humanitarian aid includes: disaster prevention and preparedness; the provision of shelter, food, water and sanitation, health services and other items of aid for the benefit of affected people and to facilitate the return to normal lives and livelihoods; measures to promote and protect the safety, welfare and dignity of civilians and those no longer taking part in hostilities and rehabilitation, reconstruction and transition aid while the emergency situation persists. Activities to protect the security of persons or property through the use or display of force are excluded. (OECD)
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1. EXECUTIVE SUMMARY

The *Think Differently* report by the International Federation of Red Cross Red Crescent Societies illustrated the humanitarian impact of the economic crisis at country, community and household levels, and highlighted some of the key trends related to the socio-economic situation in Europe and Central Asia as the result of the economic downturn. In this report we go deeper into these trends and look at specific societal changes and how the National Red Cross Red Crescent Societies (National Societies) can most effectively respond. This document presents the results of an in-depth study on possible policy innovations in response to the trends in poverty rates within the IFRC Europe Zone as a result of the economic crisis in Europe since 2008. The methodological framework is comprised of an extensive literature review, semi-structured interviews and questionnaires. Based on the findings of this research the recommendations presented include: psychosocial support, intergenerational partnership, third party cooperation, practice of early warning mechanism, and cash transfer programs. These will be presented with the overarching theme of utilizing a better means of communication within each recommendation.

2. INTRODUCTION

The changing societal structures, socio-economic composition and especially the growing poverty rates in the Europe Zone (53 countries in Europe and Central Asia) make innovation and changes in the patterns of delivering humanitarian aid necessary. This document presents the results of an in-depth study on possible policy innovations to be implemented by the different National Red Cross Red Crescent Societies in response to the trends in poverty rates within the Europe Zone as a result of the economic crisis in Europe. Based on these trends, and in order to effectively assess appropriate innovations, the research questions are as follows:

1. What innovative policy reforms can the National Societies implement within the Europe Zone in order to successfully and sustainably deal with the socio-economic consequences of the economic crisis?

2. What policy instruments can support these policy reforms in addressing the different target groups of the National Societies?

The main goal of this report is to provide National Societies with policy recommendations to cope with the changed patterns, in order to prevent, mitigate and respond in a sustainable way to the humanitarian consequences of the economic crisis and to strengthen individuals and community resilience.
2.1. Defining humanitarian aid

Humanitarian aid is traditionally defined as ‘aid designed to save lives, alleviate suffering and maintain and protect human dignity during and in the aftermath of emergencies’\(^1\). This is most commonly the context within which humanitarian aid and provision is discussed, in the aftermath of emergencies such as natural disasters, human disasters and conflict. Furthermore, the mission statement of the International Federation of Red Cross Red Crescent Societies is:

“They general object of the International Federation is to inspire, encourage, facilitate, and promote at all times all forms of humanitarian activities by National Societies with a view to preventing and alleviating human suffering and thereby contributing to the maintenance and promotion of human dignity and peace in the world”\(^2\).

The Red Cross Red Crescent further describes in their Code of Conduct that

“we will strive to implement relief programs which actively reduce the beneficiaries’ vulnerability to future disasters and help create sustainable lifestyles”\(^3\).

In this sense, further than simply providing aid, they take the initiative and responsibility of creating and instituting future resilience. Despite the crisis, the Red Cross Red Crescent provides support to those in need. With a ‘humanitarian imperative’, during times of need whether due to man-made, natural disasters, or conflict situations, the Red Cross Red Crescent fulfils its duties of immediate aid and future mitigation of aid. In relating this to the economic crisis, we can see a clear need and necessity for the Red Cross Red Crescent to intervene, as they have been doing for years. As the IFRC Europe Zone enters the sixth year following what has been a large jolt in the economy, after which recovery was an expectation, new criteria are being applied to encapsulate the pressing issue of a purely economic crisis. Governments, the European Union and NGOs all assisted in alleviating hardships during the economic crisis in the Europe Zone. A prime difference is the lack of preparedness and mechanisms in dealing with the crisis. It is clear the economic crisis has resulted in economic difficulties, even in middle income and relatively well-off countries within the EU. While there is great importance in providing economic support to the community, looking at other aspects such as the effects this will have on those struggling is an aspect the Red Cross Red Crescent has always focused its mission around. Humanitarian support is grounded in not only economic support but also in social aid, in order to create resilient communities.

All National Societies within the Europe Zone have been dealing with the economic crisis in one way or another, in decreased funding and budgets, increased need, but most notably, the rise of new issues and priorities. Some of these issues have been quite keenly dealt with while others have struggled to maintain, develop and change with the varying patterns of need. Throughout the report instances of ‘good practices’ in response to the changing patterns will be discussed and analysed in the broader context of the Europe Zone.

Humanitarian action as mandated by the Red Cross Red Crescent is the action by which humanitarian aid is handled by both national and international actors in helping to prevent, assist and mitigate a situation caused by crisis or disaster. Requests for aid within the economic crisis have progressively increased or changed direction. With these ever changing patterns of need, it is necessary to innovate and create new means of addressing these issues. The tools, mechanisms and guidelines have been in place and utilized to address the economic crisis, but through continual innovations, better means of aid can be further implemented accordingly.

2.2. The economic crisis and the role for National Societies in responding to its consequences

When changes occur in the socio-economic situation of society, it is traditionally seen as a task for government institutions to assist and respond to those in need, through various policies and aid programs. However, the character of the economic crisis places everyone in need, including government institutions. While the socio-economic situation for many people within society worsens, government institutions also find themselves in a tight financial situation and are unable to cope with the consequences. These two developments lead to a ‘gap’ in aid for those in need. In this crisis situation the National Societies of the region have a crucial role to play. This section will go into the definitions of key concepts in this study: disasters, crisis, and economic crisis. It will thereby become clear what role the National Societies can play and how this situation is directly part of their mandate. Following the example of the Spanish Red Cross will be presented, as they have dealt with similar problems in the past few years.4

“We have to take into consideration the fact that the crisis is not only affecting our beneficiaries, but also donors” Montenegro Red Cross, 2014. Questionnaire response.

Part of the mandate of the Red Cross Red Crescent is very specifically to promote social inclusion5 and reduce vulnerability in a globalized world. The impacts of the economic crisis in Europe on the National Societies, the changes in vulnerability and the increasing risk of social exclusion results in a crucial role the National Societies must play. The term ‘crisis’ is used in this context rather than ‘disaster’ because it also includes the psychological aspects of critical events instead of just objective aspects (Interview the Reference Centre for Psychosocial Support, 2014). Crisis is here defined as [situations that]

“by definition, have profound implications for fundamental values such as preservation of human life, sovereignty/autonomy, economic well-being, democracy, rule of law and so forth” (Stern and Sundelius, 2002:79).


According to Stern and Sundelius, crises may be diverse in their character and origin but they "pose similar challenges of decision making and communication" (Stern and Sundelius, 2002:72).

Often crisis, especially ‘modern’ crises, is defined as crossing borders, challenging various policy areas and crisis management, causing destruction and destabilization of crisis management. In particular, this last conceptualization of crisis and crisis management is directly related to the situation National Societies find themselves, in the context of the economic crisis in Europe. It is a cross-border situation challenging various policy areas of both governmental and non-governmental organizations. According to the representative of the Reference Centre for Psychosocial Support a crisis is

"... a situation, or change in situations, which cannot be foreseen and something that behaves wave-like with regards to vulnerabilities" (Interview Reference Centre for Psychosocial Support, 2014).

Moreover, she notes that crisis is a process, a development of events that cannot be - fully - foreseen and wherein different groups, actors and organizations are involved. Based on the character of the crisis, with governmental institutions not being able to respond to the challenges, and the conceptualization of crises provided by Stern and Sundelius and the Reference Centre for Psychosocial Support, we can clearly see that there is a crucial role for the National Societies in the Europe Zone to play. This comes even more evident in discussing the case of policy reforms of the Spanish Red Cross, responding to large changes in socio-economic features within Spanish society in the early 2000’s.

2.3. Target groups of the study and regional analysis

The economic crisis has affected people worldwide and while it is important to investigate the effects and situation of all people, for the purposes of this study we will narrow the scope to groups that have been much more affected than others. In studying the effects of the economic crisis within the Europe Zone, this report will focus on the ‘working poor’, ‘unemployed youth’ and those not in employment, education or training (NEETs). These are groups that have increased in size considerably since the onset of the crisis therefore National Societies have had to steer their focus as they face the unfortunate situation of decreases in funding leading to cuts in certain programs.

In addition, there is a fourth target group within the IFRC ‘Think Differently’ report, namely ‘the new poor’. This target group is one that will be incorporated throughout the report and included within each respective target groups. The ‘new poor’ are those who are in a new and less fortunate financial situation than they were previously. This group is incorporated throughout rather than as a completely separate group because they can be ‘new poor’ in work, as well as ‘new poor’ and ‘youth unemployed’ or even NEETs. This is a group of people that is not used to seeking help, asking for aid and/or is unfamiliar with the structures in societies providing services to assist in this area.

The ‘working poor’ or ‘in-work-poor’ is a new group of poor that National Societies have reported seeing an increase of contact. These are people who are in fact living above the poverty line, but due to increases in inflation and decreases in social security, are struggling to make ends meet. People’s real

wages are therefore not enough to sustain the lifestyles they were previously living. National Societies have reported that this group of ‘working poor’ really only utilize Red Cross Red Crescent services a few times a month, or towards the end of the month when bills are due. The dilemma this group of people face is which bills they should pay, what food they can actually afford, and whether eviction is a reality. These people are not yet under the poverty line, but are increasingly falling closer. This target group contains both households and individuals.

Second, this study focuses on those young people not in employment, education, or training (NEETs), who are particularly vulnerable as they are not necessarily in touch with the community at large. This is a group of people who when struck in an economic crisis fall the hardest, and lean on social welfare systems that may not be able to handle the influx in demand. Being unemployed, untrained and uneducated severely deters or holds one back from finding any means of economic support, therefore an increased focus must be placed on this vulnerable group. Most countries within the Europe Zone have seen a great increase in unemployment, but this has been particularly drastic in the youth population where unemployment has reached as high as 24% for youth in the euro area, with Portugal and Spain a youth unemployment rate of 50%. Whether these youth were previously under poverty or above, it is equally necessary to help this generation of young people as they grow into adults. While unemployed youth in the short run may not appear to be the worst of situations, the long run effects of youth with no practical skills will be detrimental to society as a whole.

Finally this study focuses on the ‘new generation’. This group consists of those who grew up in times of prosperity, finished their studies and/or trainings and entered the labour market in the past 5 five years. The difficulties this group faces in the labour market have different consequences, for both the future and current labour market and labour force, as for the individuals themselves. These needs vary due to the different background from which the ‘new generation’ comes. The ‘new generation’ is within these NEETs but can also be members of the other groups, such as ‘working poor’. They are not necessarily unemployed, or out of education. The ‘new generation’ involves those who are educated but underemployed, i.e. their true potential is not being utilized; or those who are in education, not out of thirst for knowledge, but out of lack real employment. Further discussion will follow within the upcoming sections.

In this study, we cover both the individual and psychological consequences of this situation, the more practical consequences for the careers of these youngsters and for society on a more aggregate level. For both higher and lower educated youth it is difficult to find an appropriate job or training placement during these times.

Within this study the target groups presented above will be treated as separate groups in society. However, since these groups are highly interlinked, and shifts between groups occurs easily and often, this will be taken into account as well. Consequently, although some policy recommendations specifically target only one of these groups, most policy reforms recommended will cover the multiple problems of the different groups within the community. It is therefore often difficult to pin down directly which target groups community members belong to, regardless they will be included in discussing the different policy recommendations.

7 European Commission. EU measures to tackle youth unemployment. file:///C:/Users/Administrator/Desktop/DGEMPL_Leaflet_Youth_Unemployment_EN_Accessible_v1.0.pdf.
2.4. Methodology

The research method used in this research project is a mixed-method approach, using literature reviews, case studies, interviews, questionnaires and quantitative methods. In order to get a complete picture of the current situation, the projections, methods of the IFRC, and background information about humanitarian aid are based on literature reviews supported by quantitative data. In order to present an in-depth analysis and concrete policy strategies and instruments to the National Societies, questionnaires and interviews serve as another source. The data used in this report is gathered from various sources, specified per table, graph or analysis presented.

The literature studies lead into the selection of cases and more in-depth, topic specific research in the field. For example, the Spanish Red Cross’ reforms implemented in 2002 in response to socio-economic changes will be presented, as they are similar to, and directly apply to other European countries situations encountered after the economic crisis in Europe in 2008. The changed practices of the Spanish Red Cross have been very successful in responding to the consequences of the new socio-economic situation in Spain with high (youth) unemployment rates and a rapidly increasing number of people in need (Spanish Red Cross, 2013). By conducting an interview with a representative of the Spanish Red Cross, additional information about the new practices of the Spanish Red Cross their overarching ideas and specific practices have been further revealed. The second interview that served as additional background information is an interview with a representative of the Danish Red Cross. This is more specifically focused on one specific aspect of reforms and changes in Red Cross Red Crescent practices, namely the cooperation with third parties, especially private sector. Additionally, a questionnaire consisting of open-ended questions provides more perspectives from different geographically dispersed National Societies about the consequences, challenges and projections in the Europe Zone after the economic crisis in Europe. The National Societies participating in the questionnaire were: Bulgarian Red Cross, Cyprus Red Cross, German Red Cross, Irish Red Cross, Latvian Red Cross, Red Cross of Montenegro, Swedish Red Cross, and Red Crescent Society of Tajikistan. The responses of these National Societies provided us with additional information about the situation and on how and why recommendations will, or will not, work in the different National Societies. Moreover, the insights provided by the participating National Societies provided us with perspectives from the different regions: Northern-Europe, Southern-Europe, Western-Europe and Central Asia. The selection of National Societies participating in the questionnaires is made together with the IFRC Europe Zone Office, based on regional coverage. The questions asked in the questionnaire, were open-ended questions, with room for the responsive National Societies to share their ideas and perspectives on the situation and alternative policy strategies to be implemented by the National Societies. In addition, for example in the questionnaire for the German Red Cross, we asked for insights about one policy recommendation specifically, namely the Cash Transfer Programs. The German Red Cross has experience with these programs and therefore were able to provide more specialized knowledge, adding to the quality of the recommendation. When a policy recommendation in our perspective needed practical insights to cover the policy tools required and challenges faced, we conducted extra in-depth research and contacted people of the National Societies involved.

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8 Full questionnaire can be found in Annex (II & III).
2.5. Structure

This report is structured as follows. The introductory chapter on the context and background of this study gives an overview of the trends indicated, mainly based on the ‘Think Differently’ Report published by IFRC.9 The first chapter elaborates on the topic of the new generation of this age – today’s twenty-something’s who encounter major problems in the labour market. What is central is how the National Societies can adjust to this trend and recommendations are given to prevent this generation from turning into a ‘lost generation’ – a term we all want to avoid. The alternatives set out in the second chapter of the study respond to problems encountered by society on a more aggregate level. These have the same level of relevance to all groups in the societies which encounter new socio-economic situations. Throughout the paper an overview is given of the organizational landscape in Europe and Central Asia, and how the Red Cross Red Crescent can adapt itself and their practices to fit in this landscape and implement their policies the most effective and efficient manner. In the fourth and concluding chapter this overview will be described so that both policy recommendations and the broader picture of humanitarian aid in the Europe Zone are covered in one chapter.

3. CONTEXT AND BACKGROUND

In this section, the context and background of the challenges faced by National Societies in Europe and Central Asia is described. Besides updated data about the current socio-economic situation in the region, more data about the target groups in this study is provided.

3.1. Current situation and projections

As discussed previously, the situation since the economic crisis has varied drastically from country to country. While some Europe Zone countries such as Austria and Switzerland have seen an unemployment rate below 5%, Greece and Spain have maintained a steady rate of at least 25%: an 18 percentage point increase from pre-crisis inception. Overall, since the crisis began, unemployment has decreased a meagre half of a percentage point in OECD countries10 but because of the enormous gaps between the countries, one cannot generalize over the entire region and make recommendations based on the overall outlook. It is necessary to divide the areas into regions based on youth unemployment rates, working poor and NEETs, as this is the focus of the study.

Furthermore, OECD predicts job gaps to widen within the coming year. OECD in its 2013 Employment Outlook Report11 has projected increases of at least a percentage point in overall unemployment in Greece, Italy, Netherlands, Poland, Portugal and Spain. Based on these projections, we can look further into what these countries are currently engaged in, in dealing with the unemployment

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issue, and make further recommendations for the Red Cross Red Crescent to engage in an active and constructive way based on the current needs and regional differences. Estonia and Iceland on the other hand are projected to have a half a percentage point drop in unemployment, which entails different action measures in terms of what the National Societies should provide.

Since the beginning of the economic crisis in 2008, there has been a slowdown of real wage earnings growth as well, meaning the people can no longer buy as much with their incomes. While this may be due to inflation or increased prices through decreased demand, regardless, the purchasing power of the general population has decreased thus debilitating families in terms of their capacity to make necessary purchases and payments. Utilizing the Red Cross Red Crescent as a mechanism to counter or alleviate the stress of decreased purchasing power will help not only the unemployed youth and working poor, but also the older generation who has also been affected by the crisis. The Red Cross Red Crescent is also adapting to these changing patterns, and in so doing assisting others along with themselves.

Although the European economy shows some recovery since January 2014, the effects of the economic crisis are still directly and deeply felt by the people living in many countries of the Europe Zone. According to the European Commission in data released in March 2014, there is little improvement in employment and social situations in the European Union.\textsuperscript{12} The damage in markets and in personal lives will not resolve in a few months, this takes years of recovery. In this process of recovery, the National Societies can play a central role. In the following paragraphs of this section, the main trends of the societal consequences, indicated in the IFRC ‘Think Differently’ report (2013) and questionnaires conducted about the economic crisis in Europe are described with numbers from the different regions covered in this study, in order to provide a comprehensive overview of the current situation and the projections.

3.2. People at risk for poverty and social exclusion

The overarching challenge faced by the region is the increasing number of people at risk for poverty and social exclusion. Spread over the Europe Zone, the National Societies all face this new challenge that occurs in different levels in society. The figures on the number of people at risk for poverty and social exclusion in Europe is measured by Eurostat by three criteria, and includes the proportion that identifies with one of them:

1. Disposable income is relatively low compared to the average in the country;
2. Incapability of paying the bills for elementary goods and services;
3. Employment is low in the household.

The first indicator is a very straightforward one, where Eurostat sets a standard per country for the level of income considered average, the border between this and a level considered so low that people are ‘at risk of poverty’. The second criterion is a bit less obvious, because ‘the ability to pay the bills for elementary goods and services’ is highly based on perception and living standard. However, when we

look at other datasets we see a similar trend referring to the credibility, validity and reliability of this data. The number of people at risk for poverty has increased since 2010. In 2012, the number of people at risk of poverty and social exclusion in Europe reached 120 million people (24.3%), in 2008 that was 23.7%. EU 28 countries with the highest numbers of people at risk for poverty and social exclusion are Bulgaria and Romania. The third variable refers to social exclusion, consequentially measured as ‘going out of the house’ in terms of going to work in this dataset. The number of people at risk for poverty and social exclusion is broken down in different target groups within this study, as presented earlier the working poor, NEETs, new generation and included in these the ‘new poor’.

3.3. NEETs and the new generation

The effects of the tight financial situation of households and working people is not limited to this generation, but has major effect for coming generations as well. For example data from The Netherlands, with one of the lowest rates (15%) of people at risk for poverty and social exclusion, shows that there is a growing demand for aid and help for children growing up in poverty. In 2010, 18% of inhabitants of The Netherlands under 18 years old lived below the poverty standard, with only Scandinavian countries showing lower figures. In crisis countries like Ireland, Greece, Spain, Italy and Portugal these numbers are much higher. Since 2010, the number of children growing up in poverty in Ireland increased by 11 percentage points. The number of requests for private aid from companies and grant organizations doubled in 2013 compared to 2012. This not only denotes that there is a growing demand, but also that the public sector is not able to cover all help needed in the region. The economic crisis has had a great effect on the budget balances of countries in the Europe Zone, and budget cuts have been made in all policy fields. This is one of the reasons that the most vulnerable people in society are hit the hardest: they have fewer resources to cover the economic shocks while at the same time there are less resources available to support them. According to research on these new figures in The Netherlands, the new requests mostly come from the ‘new poor’, such as freelancers (independent contractors), of which number is growing in the EU as well as from people who were recently fired after a long and stable career.

While most countries have stabilized the employment (or unemployment) rate at this point, mechanisms to deal with the ‘stabilized’ situation is necessary. While countries such as Switzerland and Austria may be stabilized at a low rate, countries such as Spain and Greece though stabilized, are still at a very high rate. The OECD projections did not see these countries further increasing in unemployment, but there was no prediction either that the unemployment would decrease. While it may be difficult to fathom dealing with such a high number, the encouraging part is that we are dealing with a fairly stable number.

While one of the main focuses of this study is the youth, it is important to also discuss the involvement of the older cohort of workers as they are the other piece to the puzzle. Surprisingly, the OECD found that among older individuals, employment has actually increased, though this was also occurring before the crisis began. This increase in employment very well has an effect on the youth situation. During a crisis companies make decisions based on employability and experience of workers. Youth tend to have less and shorter periods of work experience thus increasing the employability of the older population. This experience just goes to show that the youth need further training in order to
become more competitive within the workforce. To add to this, unskilled jobs have decreased in demand more significantly than others, thus affecting the younger and less educated generations further.

3.4. The working poor

Although the employment rates for older individuals have been increasing as the OECD study shows, another group of people in need for humanitarian aid arose in the Europe Zone: the working poor. A comprehensive picture and the development of this group in society is presented in the next paragraph by tables and data from the European Social Survey round 6 (2012). This dataset covers data from more than 40,000 respondents from 20 countries in Europe. Although this is not half of the countries that IFRC Europe Zone covers (53) we can argue that this dataset does represent trends in Europe and that it can therefore serve as clarifying data of the situation. Moreover, it is the only dataset available to run a statistical analysis offline that covers the perceptions and feelings of respondents about their income, instead of their objective income levels. Additionally, this enables us to also work with data that has not been classified yet, whereas in Eurostat this is the case. This section presents two analyses of the feeling about living with present income and whether or not the respondents have been involved in paid work and their income level in deciles.

Table 1 displays a cross-table analysis of the variables (1) ‘Doing last 7 days: paid work’, indicating the employment status of the respondent; and (2) ‘Feeling about income household nowadays’, indicating the current experience of the household in the ability to make ends meet. For our analysis, the two cells referring to a situation that respondents have been engaged in paid work in the past seven days and feel like it is difficult or very difficult to live on present income are the relevant ones. 13,240 respondents out of a total of 44,243 answer that they feel it is difficult or very difficult to live on their present income. We can see that 997 of the respondents who filled in this question and have been doing paid work, encounter many difficulties living on their present household income.

There are many more respondents living with difficulties on their present income and who marked that they have been doing paid work in the last seven days, namely 3,888 respondents. This equals 17.5% of those who marked that they have been doing paid work and encounter difficulties in making ends meet. These two groups in Europe, those who feel it is difficult to live on their present income, are the ones we refer to when we discuss the working poor.

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14 European Social Survey 2012 (Data extracted by us and analyzed using STATA. STATA do-file to be found in the Annex V.

15 A decile is exactly one tenth of the total income, so all household incomes respondents provided have been divided into ten groups in the European Social Survey and extracted in this format by us. We did not categorize the variables since it is considered necessary to look as specific as possible at the different income groups already categorized in the European Social Survey, instead of categorize them in ‘low’, ‘middle’ and ‘high’ income groups. In this way, we can see how the feelings of difficulties are distributed over the lowest income groups and how this changes while going up the ladder in deciles.
Table 1: Doing paid work and feeling about household

<table>
<thead>
<tr>
<th>Doing last seven days: paid work</th>
<th>Feeling about income household nowadays</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Living comfortably on present income</td>
</tr>
<tr>
<td>Not marked</td>
<td>4,564</td>
</tr>
<tr>
<td>Marked</td>
<td>6,950</td>
</tr>
<tr>
<td>Total</td>
<td>11,514</td>
</tr>
</tbody>
</table>

Another way to analyse the trend indicated is to cross-table the household’s total net income and the feeling about the household income. This allows us to make distinctions between different levels of income, distributed in ten deciles. As we can see in the selected cells in the table, they are – expectedly – the lowest decile groups which encounter (much) difficulty in making ends meet. However, if we go up to the sixth decile, it is still 16.8% of the total in this decile that encounters difficulties in making ends meet on present income. This means that almost 1 in 5 respondents with this income level, which would be categorized as a middle-income group, have feelings of difficulty. These are serious numbers, which are increasing.

When looking at data from Eurostat as well, and comparing these numbers, we see that this matches with the growing number of people at risk of poverty, whether or not involved in employment, and that these numbers are growing. Additionally, since we included a variable asking about the respondents ‘feeling’ about their income, we also cover another important aspect of our study, namely the psychosocial situation of people in the Europe Zone which encounter negative consequences of the economic crisis. In the third section of this report, policy recommendations for the National Societies are given based on this data and also specifically targeting those with not only financial problems, but also encountering psychosocial issues. The Red Cross Red Crescent works continuously in crisis situations assisting those who have lost jobs due to various factors, therefore this experience and existing means of dealing can be helpful in this new situation. Further recommendations, including new and innovative tools are discussed later on in the recommendations section.

16 Feelings of safety, connectedness, calm, self and community efficacy, hope. See Recommendation 1: Psychosocial Support.
Table 2: Households total net income and feeling about income household nowadays

<table>
<thead>
<tr>
<th>Households total net income</th>
<th>Feeling about income household nowadays</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Living comfortably on present income</td>
</tr>
<tr>
<td></td>
<td>Coping on present income</td>
</tr>
<tr>
<td></td>
<td>Difficult on present income</td>
</tr>
<tr>
<td></td>
<td>Very difficult on present income</td>
</tr>
<tr>
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3.5. From data to recommendations

Now that a comprehensive overview has been given about the new socio-economic situation in the Europe Zone, we can proceed to the discussion of policy recommendations. In order to effectively respond and adapt to the changing patterns within the National Societies, the following questions will be addressed:

1. What innovative policy reforms can the National Societies implement within Europe Zone in order to successfully and sustainably deal with the socio-economic consequences of the economic crisis?

2. What policy instruments can support these policy reforms in addressing the different target groups of the National Societies?

The following section describes, explains and applies six policy recommendations for the National Societies, where after a short summary of the recommendations is followed as the concluding chapter.
4. POLICY RECOMMENDATIONS

This study provides an overview of the overall current situation within the Europe Zone and gives recommendations on how the National Societies can adapt and carry out complementary programs in their auxiliary role to the public authorities and in the humanitarian field in dealing with the economic crisis. In order to make these recommendations applicable to the different situations in the Europe Zone, the recommendations consists of general ideas about reforms and innovations in delivering humanitarian aid. They also provide specific examples of cases with good practices and an explanation of their successes. This enables the 53 National Societies in the Europe Zone to pick and choose the most suitable options for them in the context of their National Society.

The recommendations presented and explained in this section are:

1. Psychosocial support
2. Intergenerational & in-community support and cooperation
3. Cooperation with third parties, partnerships with: other grassroots organizations and the private sector
4. Early warning concept
5. Conditional cash programs
6. Technology and communication

4.1. Psychosocial support

The main goal of this report is to provide National Societies with policy recommendations to cope with the changed patterns, to be able to prevent, mitigate and respond in a sustainable way to humanitarian consequences of the economic crisis and strengthen individuals and community resilience. Coping with psychosocial challenges is therefore considered as one of the most important tasks in the coming years. For the ‘new poor’, ‘working poor’, the new

Good practices example

The Icelandic Red Cross had a very successful approach in psychosocial support in the economic crisis in Europe. The key features where:

Safe places: After the financial crisis broke out, the Icelandic Red Cross office opened a service centre where individuals and families could seek support, counselling and coaching as well as a playground for the children. The service in the Red Cross House was available for everyone.

Information: Information was provided on the following aspects: stress reactions, stress reduction methods, support, recreation, activities, children, and crisis. This information was provided by the Red Cross Psychologists in the Centres and broadcasted by national TV.

Connectedness: The Red Cross House was a venue for diverse social activities. It served as a meeting place for people in the same situation, and for different types of groups to meet and engage in organized group activities (cooking, computer courses, dancing, yoga etc.).

Self- and community efficacy: The groups were held by the affected people themselves, and everyone could provide specific services according to his/her skills and knowledge.

Psychosocial support education: Support education on the reactions and the situation of the economic crisis in Europe were provided, along with relaxation techniques and courses.

Giving hope/empowerment: Red Cross volunteers acted as mentors for job seekers who had not been active and had thus become isolated. Think tanks and grassroots organizations based in the Red Cross House also provided perspectives to the Red Cross clients.

generation and the NEETs, intensified counselling and psychosocial support is a policy instrument recommended for the National Societies in the Europe Zone. The definition of psychosocial support, as given by the The IFRC Reference Centre for Psychosocial Support (PS Centre) is the following:

“Psychosocial support is the process of facilitating resilience within individuals, families and communities, where resilience refers to an individual’s or a community’s capacity to recover from, adapt to and remain strong in the face of adversities that have the potential to disrupt or destroy the successful functioning or development of the person or community. In other words psychosocial support enables people to bounce back from the impact of critical events and helps them to deal with such events in the future. Psychosocial support thus promotes the restoration of social cohesion and infrastructure.”

In this definition we see a direct connection to the problems individuals and communities face after the economic crisis in Europe. We also see this in the definition used in reports by the PS centre:

“Psychosocial support is an umbrella approach, following the intervention principles named by Hobfoll et al. (2007) (safety, connectedness, calm, self and community efficacy, hope) with the aim of promoting the resilience of individuals, groups and communities in crisis.”

Currently, psychosocial support and counselling is already included in programs in most of the National Societies. In long term crisis situations, the IFRC is familiar with providing this kind of support. However, it is recommended for the National Societies in the Europe Zone to strengthen this area of aid and focus on long term support for the new poor, working poor and NEETs due to the consequences this will have on society. People are unexpectedly losing their job after a long career, facing difficulties in making ends meet and/or are not in employment, education or training. In this case, while the projections a few years ago were much better, this period will still have a major impact on the psychological well-being of these individuals, which will not easily be dissolved despite improved financial situations. In combating these difficulties, for example through counselling and providing information, the National Societies can overcome long-term paralyzed and traumatized individuals and thereby make sure that when they are back in a more beneficial financial, educational or employed state, they are strong individuals. In the questionnaire responses we find that some of the participating National Societies have already implemented this strategy of close training and psychosocial support with the aim of combating the issues described above.

For the young people who are not in employment, education or training, acceptance of their situation in their personal, direct, or social environment, and being honest about their situation is one of the main issues indicated. Not finding a job after periods of growth is a psychological challenge for the twenty-something’s of today, especially in Western Europe, where societies experienced decades of economic growth and future perspectives of prosperity. The twenty-something’s in this region feel like they failed, and this can leave its traces in the future in terms of uncertainty and lack of confidence. Also in areas where economic growth has not necessarily prevailed in the past decades, the future

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20 The National Societies mentioning this methods are: Swedish Red Cross (training and workshops for youth), Red Crescent Society of Tajikistan(psychosocial aid, with 30 trained staff members and volunteers), Cyprus Red Cross (created a Psychosocial Support Unit)
perspectives have become much brighter the last couple of years. In the relatively new member states of the European Union, as well as in countries in Central Asia, perspectives on better economic times have been dominant. In these countries we can state that it is not a feeling of failure that dominates the perspectives of youngsters, but mostly a feeling of disappointment.

The ‘working poor’ and the ‘new poor’ target groups of this study encounter the same feelings but in a slightly different context. While these people used to be part of the middle-class, during the economic crisis they encounter challenges with making ends meet and therefore have the feelings of failure and shame towards their direct social environment, peers and even their own families and relatives. Adults may encounter feelings of loss of pride and uselessness when they have are fired and unsuccessful at finding a job. This results in feelings of stress because they are suddenly not as valued as they used to be and are unable to take care of their families anymore. For the target groups described above, the feelings of shame, disappointment and failure can result in social exclusion because a natural human reaction is to seclude oneself from social contact when coping with these feelings. Moreover NEETs are not automatically in contact with others because they are not in education, employment and training and therefore have a higher risk for social exclusion.

All the arguments above show the importance of dealing effectively with the psychological/ psychosocial consequences of the economic crisis for individuals and households. The European Psychosocial Support Network (EPSN) is an informal National Societies’ network within the IFRC membership which can effectively respond to this need arising in society, particularly in close cooperation with the The IFRC Reference Centre for Psychosocial Support (PS Centre).

Traditionally, psychosocial support or intervention by the IFRC is provided in crisis situations, where immediate help and support is needed, with aftercare following the most crucial period. The 2013 magazine, ‘Coping with Crisis’, published tri-annually by the IFRC Reference Centre for Psychosocial Support also includes a chapter with guidance notes for the National Societies, describing how to cope with the ongoing crisis in Europe. As argued above, individuals and communities residing in the Europe Zone need this kind of support as well in order to cope sustainably with the psychological consequences of the economic crisis. In order to present a comprehensive overview of policy recommendations for the National Societies in this new socio-economic situation, it is necessary to elaborate on the role of psychosocial support in current IFRC activities. Consequently we should reflect on how this can be improved in the National Societies in order to respond effectively to the new socio-economic constellation due to the ongoing crises in Europe. In order to obtain answers to this question, publications of the IFRC Reference Centre for Psychosocial Support have been used and one of their researchers provided some personal insights. According to the interviewee, the challenges for effective psychosocial support in the economic crisis situation are the following:

- “Identifying and reaching the affected persons and groups;
- Establishing a functioning dialogue with all relevant stakeholders;
- Enhancing participation of the affected groups and give them ‘a voice’ and activate them;
- Coordinating and exchanging experience on response efforts in different areas and countries” (Interview PS centre, 2014).

In identifying and reaching the affected persons and groups, the Red Cross Red Crescent is an expert. In general, the IFRC and the National Societies have an extensive and comprehensive overview ready for the most vulnerable groups in society and an effective means of reaching them when a crisis situation occurs. In this prolonged and still ongoing situation of an economic crisis however, there are new groups in society which find themselves in a situation of vulnerability. These groups vary between the different regions, depending on the economic situation of the countries and the welfare system. However, with a local approach and analysis, those who work with the National Societies are better able to map the people at risk for poverty and social exclusion because they are close to the community, and are therefore able to identify those with a (potential) need for psychosocial support. The psychosocial support has the following key features:

- Empowerment of those who feel ‘failure’, disappointment, loss of pride and shame;
- Long term counselling in order to overcome this - potentially - traumatic experience of being in need for help, not being able to take care of the family, the feeling of being socially excluded;
- It is an inclusive approach, which is not just focusing on one aspect but the whole set of issues the beneficiaries face. This also includes financially, by getting an overview of their own financial situation the Red Cross Red Crescent can better provide counselling and advise how to cope with these difficulties. In this way the beneficiary will feel more confident due to the help and subsequent lessons learned through these consultations;
- The community approach can be accomplished, for example, through establishing support groups and self-help groups by making the beneficiaries get in contact with peers, people in similar situations, people who share similar feelings and who are also close in geographical terms. This way, the feeling of being ‘alone’ and the risk for social exclusion will be less likely because they see that they are not the only one, and can thus share their experiences. In order for them to overcome their feelings of shame, the beneficiaries need a safe space to open-up and discuss the difficulties they are dealing with or have overcome. Taking these steps requires extensive coaching and counselling, provided by the professionals and trained volunteers within the National Societies.

As seen in the example of best practices of the Icelandic Red Cross, close cooperation and providing psychosocial support continuously is one of the key aspects. To conclude, the recommendations for the Red Cross Red Crescent Societies are to

1. locally map the most vulnerable groups, those who are at most risk of poverty and social exclusion (based on their employment and/or education status, income level and their social profile) in cooperation with third parties in the field;

2. to create community houses, as the Icelandic Red Cross did, where beneficiaries can find more than just counselling, a place wherein whole families are welcome, and coaching sessions with others in a similar situation are provided. In this multi-functional environment, the key features of psychosocial support are met:

- Empowerment
- Long-term focus
- Inclusiveness
- Community approach and community building.
The objectives of this approach are therefore being met most effectively: those who encounter psychosocial problems are being supported by the Red Cross Red Crescent community and thereby the process of reintegration and renewed self-confidence will be much easier for those in need.

4.2. Intergenerational & in-community support and cooperation

One of the core concepts for the Red Cross Red Crescent is mobilizing the community. In addressing the issue of the economic crisis within the Europe Zone or in any area for that matter, it is important more than ever to utilize and mobilize key resources, financial and manpower rather than create new programs in an already challenging situation. Much of the previous discussion has brought to light the increased unemployment and need for aid. While the Red Cross Red Crescent is not directly responsible for creating new governmental policies, through its role in humanitarian diplomacy it can influence the decision-making and policy-making processes in addition to mobilizing the community thus contributing to lessening the burden and strengthening the resilience of future generations. A recommendation brought forward (and one that has been discussed in other contexts) is intergenerational cooperation and in-community support. Creating a culture of cooperation between the varying groups can serve as both a psychological support group as well as a practical support network. Psychosocial support networks, particularly for the youth, can be very helpful as discussed in the previous section.

In terms of the practical side, despite people being unemployed, they still have skills that can be shared and utilized. The older generation has job training and knowledge that the youth have yet to learn. And while they are unable to work currently, creating a sort of ‘informal’ training amongst these groups can help both the older generation retain these skills, while the younger generation learns new and applicable skills. This process of intergenerational cooperation is a two way street. On the side of the youth, they have the knowledge of first and foremost what unemployment really feels like. But further they have probably searched for jobs and know the process. Youth generally have fairly strong computer skills that the older generation may not have. Sharing these skills of the internet and computer world will be immensely helpful as this is how the world is now run.

Furthermore, creating this culture of cooperation between intergenerational groups allows groups of people to share information that would not otherwise have the opportunity. In job hunting, timing is key, therefore broadening the horizon of communication will pass information along more quickly whether it is about a new job, training program or other useful resource. Youth may come across jobs far beyond their capabilities or experience, and likewise the elder generation may come across jobs that would under-utilize their skills. In mobilizing their communication and support, more efficient and useful tools are being passed along through the newly created networks.

Overall, each of the target groups can benefit from one another through the development of intergenerational partnerships:

- **Social interactions**: This incorporates the recommendation on psychosocial support. Simply having a shoulder to lean on and a trustworthy adult to speak with (besides ones family) helps youth in developing social skills. Vice versa, adults have access to the youth generation which is very much in touch and in tune with the new and upcoming events and technology.
• **Constructive Interaction**: While having a shoulder to lean on is helpful, constructive interaction in terms of training and development is also necessary. Creating an environment with opportunities for constructive knowledge transfer can benefit both parties. Youth have technical, social and fresh job searching skills while the older generation has extensive work experience and industry specific or entrepreneurial knowledge to share. Furthermore, with an ever-aging population, in the not so far future the youth will be depended upon for support. Developing a means of training one another will assist both parties in increasing their employability.

• **Youth Development**: Training programs for the youth. This could be in the form of older generation training youth, or various other ‘internship’/’traineeship’ opportunities. Particularly for the NEETs group this is of great importance as they’re employability is low and will only continue to fall as they continue to be disconnected from the workforce.

Intergenerational partnerships are of great importance, and can be incorporated within the other recommendations as well. The UN reports that by 2050 the number of people over 60 is expected to rise by 50% in developed countries. This number is expected to triple in developing countries. With this number in mind, the formation of intergenerational partnerships is necessary more than ever. While youth are in great need currently, in the not so far off future, the elderly population will have increased drastically and government social programs will be unable to bear the weight. Developing these relationships outside of the direct family context, allows both the youth and elderly to increase their network of people who can assist in future times of need.

4.3. **Cooperation with third parties, strategic partnerships**

In times of less resources for the National Societies governments and other organizations, it is more important than ever to bundle powers in order to deal with the challenges faced by society. In line with the community, local, approach set out in the previous section, it is recommended for the National Societies to intensify the cooperation with other grassroots organizations and private parties. The first argument for doing this is in order to mobilize resources available locally, share knowledge and data, adapt good practices and therefore be more efficient in delivering humanitarian aid, thereby assisting more people with the same amount of resources. Several National Societies already have experience in this field, nevertheless it is a good and relevant recommendation to be implemented by those National Societies who do not yet have this policy practice in place. It can serve as an example to improve current practices and to overcome new challenges.

Through the questionnaire we see that National Societies indicate the need for cooperation with third parties.

“**Strengthening collaborative networks between all stakeholders**”

*Cyprus Red Cross, 2014. Questionnaire responses.*

“**Alternative solutions are possible through establishing closer cooperation between the civil society organizations and governmental structures. Also, it is important to be able to count on the support from other stakeholders such as private companies, institutions**”

*Montenegro Red Cross, 2014. Questionnaire responses.*

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challenges in cooperation with the private sector. The Danish Red Cross has specifically included this in their practices, with internal documents about best practices and guidelines. In order to present specific recommendations, good practices and examples of how National Societies can implement the practice of third party cooperation, the Danish Red Cross is used as a case study, investigated through an in depth interview. First, this form of cooperation is described along with its general key features. Second, arguments for implementing this practice by National Societies in the Europe Zone are given. Thirdly, we will go into the Danish Red Cross case more specifically and draw up the key features of the method recommended in third party partnerships by National Societies in the Europe Zone. Although the method is mostly implemented in cooperation structures with the private sector (companies and foundations), the key features will be presented in a way so that they are also applicable in non-private corporations, for example with other grassroots organizations. Cooperation with other grassroots organizations is a practice that is already present in the National Societies but the very direct recommendation is to expand these relationships in order to deal with the challenges described above and make the third party cooperation's more efficient and useful to the National Societies and partner organizations. Corporate Social Responsibility (CSR) is a term that, at least for western countries, benefits corporations and positively frames their position in society.

4.3.1. The models of cooperation with the private sector by the Danish Red Cross (Case Study)

There are two different ways in which the Danish Red Cross is engaged in strategic partnerships. The first is mostly with private companies and is based on financial support by these companies. The second is a new model, primarily with private foundations and is based on a more inclusive approach with the third parties in the projects on the national level.

In this section we focus on this second model, which implements a new strategy in establishing sustainable partnerships. The Danish Red Cross Representative (2014) described in the interview that these partnerships are based on full cooperation between the Danish Red Cross and private foundations per project. This effectively means that when beginning a new project in cooperation with a private foundation, the foundation is included from the start, from brainstorming about concepts for the project and all the way through the implementation. The private foundations are therefore more actively involved in the design and implementation of the project(s) and thus have greater incentive to contribute further resources. In the Danish Red Cross’ experience, through these cooperation, more resources are available, particularly in the form of financial support and volunteers. Including private foundations from the start however also brings challenges throughout the process. When the third parties are involved so deeply they sometimes tend to ask for more influence and involvement in the projects and implementation process than is desirable for the Danish Red Cross. How to deal with this is a question that should be addressed per each stakeholder, whereby - in our perspective - communication is a very important aspect just as in other cooperation structures.

The key factors for success of this model are:

Next to this reason to select the Danish Red Cross as a National Society to have an interview with is their availability. Additionally we want to refer to guidelines and regulation of the International Federation of Red Cross and Red Crescent Societies for partnerships, written in the Code of Good Partnership (https://fednet.ifrc.org/PageFiles/82033/GA09_22_2_1_CrGP_EN.pdf) and the IFRC Strategy 2020 (https://www.ifrc.org/Global/Publications/general/strategy-2020.pdf: page 27).
• Planning and preparation: In order to establish a successful, comprehensive strategic partnership planning and preparations are crucial. The goals and purposes of the cooperation have to be set out clear and communications of expectations are a key feature for a successful implementation of the model for all parties involved. This requires research and brainstorming.

• Investment: National Societies should be aware of the fact that, due to the required planning and preparations, this method needs a lot of investment. However, as the Danish Red Cross stated, when carried out carefully and precisely this investment will pay back in time with the established strategic partnerships. Especially in the initial period, establishing these partnerships will require a lot of research and trial-and-error to be learned from for future partnerships.

• Manpower: All the key features set out above require a great deal of manpower, which is an investment in itself. However, this investment will pay out in the end as basic models are created and implemented within the different project structures and with the different parties.

4.3.2. Implementing the model in partnerships with non-private parties

In not only in the case of cooperation with private foundations, this model could also lead to successful projects in cooperation with the public sector and other grassroots organizations. Although the National Societies have a strong character as grassroots organizations, cooperation with other locally based organizations will add to the level of expertise, knowledge and resources for projects. Just as in the case of private foundations, active involvement with other grassroots organizations will lead to more efficient working methods in projects and programs of the National Societies.

4.4. Early warning concept

The ‘early warning concept’ as an activity within the IFRC is not a new concept. However, it has only been implemented in sudden crisis and disaster situations thus far. In the economic crisis, and in light of policy recommendations with a more long-term focus with the main goal of sustainability, the ‘early warning’ policy practices must be adjusted to the additional groups in need. The ‘early warning concept’ is a recommendation which applies to all target groups within this study. The challenges for the National Societies lie in identifying the most vulnerable groups and reaching them, in particular, those who are suffering from, or are at risk of social exclusion. Firstly, the early warning concept as an existing and new policy practice in the IFRC is discussed within this section. Secondly, how the early warning concept applies to the NEETs and the new generation is discussed. Thirdly, this section goes into how households and the working poor can be helped through the use of the ‘early warning concept.’

At the core of the ‘early warning concept’ lies the idea of ‘prevention’. Both in existing practices of the IFRC and in the recommended policy practice of the ‘early warning concept’, prevention is one of the major concepts. In the existing practices, National Societies identify those in the most vulnerable positions beforehand in case an emergency occurs in order to be able to contact, help and assist these groups as soon as possible. This is done in order to provide aid post-disaster and to prevent them from becoming lost in society and/or unable to be found by the Red Cross Red Crescent. In the context

of the consequences of the prolonged economic crisis for the National Societies in the Europe Zone, an ‘early warning concept’ policy practice will serve as a preventative measure for those nearing the poverty line. It is known that as soon as people fall below the poverty line, it is much more difficult to recover and rise back above the poverty line. By implementing an early warning policy throughout the Europe Zone, the National Societies will provide a sustainable prevention method that will pay off in the coming years, as less people will need such extensive and intensive aid if implemented successfully. This successful implementation method is discussed for two of the target groups in the following paragraphs, supported by examples from the Spanish Red Cross.

Especially for NEETs and new graduates the ‘early warning concept’ is a crucial policy practice for the National Societies. Firstly, a situation that youngsters in both target groups are likely to encounter is the risk of falling behind because of multiple factors in their academic and professional careers. Financially, this starts during their academic years, when taking out loans and increasing debt seems to be more of a rule than an exception (Usher, 2005). As a consequence of the economic crisis in 2008, the new graduates or NEETs with these debts, find or will soon find themselves in a static labour market. No jobs can be found and consequently the process of paying off debts becomes difficult and problematic. This problem already occurred in the early years of the crisis in Spain, where thousands of young graduates in their twenties were forced to live with their parents again because they were unable to find a job and therefore unable to finance independent living. Moreover, this has a direct effect on their professional career paths. As the graduates cannot find a job, many have put their hopes in internships, thereby expanding their practical experience. However, this has led to a highly competitive market for internships in the European Union, resulting much more demand for internships than supply. Consequentially, the NEETs do not have the chance of investing in their futures through interning or employment, thus falling behind. For the future, this is risky. These NEETs, and the new graduates, will be placed behind of the newer, ‘fresh’, graduates, which will likely be preferred by employers over those in their late twenties with limited professional experience. This section has discussed NEETs and new graduates, a title that connotes higher educated groups in an urban environment but we can in fact see that these developments occur in all layers of society and within all sectors of the labour market.

This idea of prevention from falling below the poverty line can also be applied to the ‘working poor’ and ‘new poor’ - both families and individuals. However, here the projections are much less clear and it is difficult to identify those households most in need. In the case of ‘working poor’, the ‘early warning concept’ can be applied to all people in employment, whether at a high risk of job loss or not. The Spanish Red Cross’s reforms27 have been in effect since 2000 and have been particularly useful in the current situation. During an interview with the Spanish RC, they discussed the usefulness of their program in the current economic crisis and how effective it has been in assisting the unemployed, as well as in protecting and preparing those who are still employed. It is clear that in order to prevent unemployment and increased vulnerability it is necessary to prepare people based on early warning signs. The ‘working poor’ are a group of people who are at risk based on their socio-economic status and job position, therefore keeping them in their current job placements is also helpful in maintaining and stabilizing this group. Job maintenance along with preparing people for what could happen is a focus the Spanish Red Cross took, which turned out to be rather successful.

This ‘early warning concept’ is also tied together with previously discussed issues such as psychological support, social inclusion and partnerships with the private sector. The Spanish Red Cross program, while not a recruiting agency, acted as an intermediary between job offers from the private sector and the unemployed community. What is particularly helpful is the preparation the Red Cross Red Crescent provides through interview support, CV support, job training, etc. In addition, the trustworthy and international name of the Red Cross provides candidates with better chances of being hired rather than being selected through a pool of thousands of online applicants.

What is central for all target groups addressed (NEETs, new graduates, new poor, working poor (both individuals and households), is the active distribution of information about coaching and the future perspectives of the situation, key features of the ‘early warning concept’ in a non-disaster context. Assisting communities post-crisis is always more costly and less effective than preventative measures, the ‘early warning concept’ therefore ensures that the National Societies can assist as many people as possible thus mitigating the risk of community members falling below the poverty line.

4.5. Cash Transfer Programs

In the IFRC practice, the aim of cash transfer programs is: “to increase the purchasing power of crisis-affected people to better meet minimum basic needs and to assist households recover and thrive”.28 Within this scope, cash transfer programming could be a new and innovative way of providing for the target groups identified above. Cash transfer programs (CTPs) include various types ‘transfers’ based on assessment of needs within a crisis area. These transfers include conditional, unconditional, vouchers, food for work, and cash for work programs.

A cash transfer program is a preventative measure, which ensures families from falling further into debt while supporting them until their economic situation improves. This type of programming can also support a family stuck in unemployment during an economic crisis. Just as cash transfers are utilized in disaster situations, assisting with food, housing, security, and general delivery of basic needs, cash provision within the economic crisis can act in a similar fashion. Particularly in the case of the ‘working poor’ and the ‘new poor’ cash transfers can be of great aid. In the case of NEETs and the new generation this is not as applicable as the younger generation generally has less economic responsibilities and often times NEETs and unemployed youth live within these ‘working poor’ families.

While identifying differences in the target groups, it is also necessary to differentiate between the various types of cash transfers; these being conditional, unconditional and social transfer/ voucher oriented provisions. Conditional cash transfers are given under ‘conditions’ that the recipient do certain tasks in order to receive the funds. This could include attending school, regularly seeing a doctor, actively job searching, etc. Alternatively, unconditional transfers are given primarily based on need and do not come with any strings attached. Guidelines on when to use, who to provide for, and how can be found in the IFRC Guidelines for Cash Transfer Programming29.

Cash Transfer programming has long been used within the Red Cross Red Crescent focusing on disaster situations. In these situations people may need food or money fast, and social aid or cash transfer are the quickest means of accomplishing this task. Cash transfers (whether conditional or

28 International Federation of Red Cross and Red Crescent National Societies. Cash Transfers. Presentation, published on the IFRC fednet. fednet.ifrc.org/FedNet/Our%20IFRC/Africa/CTP%20Presentation_IFRC%20UDRR%20Workshop.pptx
unconditional) are a means of helping households back on their feet and contributing to society as before. What has been reported particularly in the EU is an increase of people seeking ways of simply paying their mortgage, rent, electricity bill, or for groceries.

Cash programs are of course not a one stop fix all solution, they must be used in conjunction to other social aid programs (which have also been outlined in this report). Traditionally cash programs have been used in short term situations of crisis, but within the Europe Zone, it can be utilized in various capacities dependent on the region at large. For example, Spain and Hungary have reported high rates of unemployment, as well as difficulty in making housing payments, therefore cash transfer programs to assist with temporary bill payments could be helpful. While in Central Asia, unemployment is less of an issue, needs such as business development and healthcare are more of a concern. CTPs give flexibility in allowing people to spend the money as they see fit.

Successes and benefits of CTPs include: better poverty targeting, decreased administrative costs, less overlap of services with other organizations, and less of an excessive focus on reducing current poverty with little attention to long term structural poverty. Cash is meant to help now in order to re-introduce people to the workforce, out of poverty and into the middle class. With these services come great responsibility in accurately identifying needs, assessment criteria, and monitoring devices. In order to assess the situation within each National Society’s country, referring to the ‘Cash Transfer Program’ guidelines is a necessity. This guide addresses issues and concerns such as feasibility, situations in which to implement, and how the programs should be run.

As discussed previously, a majority of National Societies have reported increased demand of services. With this increased demand comes less funding and fewer options for new programming to be implemented. As cash programs can be a more efficient and an easier means of providing for vulnerable communities, this form of programming could be of use during an economic crisis. In 2002 the German Red Cross was engaged in cash transfer programming, therefore further questions were addressed to them in this regard. In responding to a questionnaire about implementing CTPs during the economic crisis the German Red Cross included a few possibilities, namely social transfers.

As discussed previously cash transfers can be expensive and difficult when there is no clear picture as to when the economic crisis will subside. In this context, responding to the increased need through social transfers such as vouchers is most feasible. The German Red Cross corroborated with this idea stating that

“repeated unconditional instalments with significant value would be one approach but given the required amount of support, difficult to implement for a National Society…. For increased acceptance a voucher system might be appropriate”

They discussed that unconditional cash transfers, while providing a ‘maximum level of dignity’, are best in the immediate aftermath of a crisis. In this sense, years after the onset of the economic crisis, large unconditional transfers may not be the most appropriate option. In providing larger sums of cash, microfinance loans could be a viable option in assisting with funding for housing and large scale bills.

CTPs, while successful in certain contexts and within certain groups, of course need to be managed effectively. Following the guidelines as laid out in the IFRC Guidelines for Cash Transfer Programming will assist National Societies in providing the programming, while the recommendations below address how CTP can assist families and the selected target groups.

30 German Red Cross Questionnaire response 2014
Goals of this program:

- Assist individuals and families in meeting basic needs: rent or mortgage payments, groceries, doctor visits, utility bills, etc.
- Temporarily alleviate the stress of payments (listed above) so that families can focus on other demanding issues. The ‘working poor’ are simply not making enough to provide for their families therefore cash transfers can help ensure basic needs are met.
- The unemployed will benefit from cash transfers by alleviating financial stress and allowing more time and energy to be spent on job searches. Cash transfers also ensure that recipients do not lose their homes, after which finding a job would be even more difficult.
- Re-invigorate the economy through microfinance loans, in cooperation with local banks.

The goals listed have been discussed and explained, but further elaboration is necessary on the final point about microfinance loans. CTP is an extremely expensive task, but as discussed by the German Red Cross, may not always be the optimal option. The Europe Zone National Societies have experienced a great deal of increased demand, and with this comes further difficulties in provision. Providing for the ‘new poor’ also brings the possibility of providing loans rather than small cash provisions. Microfinance loans, when managed safely and effectively can also be an efficient means of aid. Just as in the case of cash transfers, microfinance loans have been used by the Red Cross Red Crescent in various situations based on needs post-conflict or post-natural disaster. Assuming that the economic situation will improve, the people with microfinance loans will be able to repay in time.

Furthermore, the Red Cross Red Crescent has a long standing relationship with the government and local institutions. Through collaboration with local and/or state run banks, the Red Cross Red Crescent could better facilitate communication between the banks and community members whom they serve. In engaging the National Societies somewhat as mediators, the relationship amongst the two would be improved, along with community members’ ability to more effectively interact with one another.

It can be reasoned that implementing CTPs within the context of the economic crisis, is not a long term solution. But, as markets rise and fall, it is a program that can operate on an ad hoc basis, dependent on the need. Regional differences will also greatly vary. As discussed in the cash transfer guidelines, various forms of CTPs are utilized within different contexts. Identifying the capacity of the environment is a primary concern, but in appropriately assessing the needs of the immediate community the National Societies can engage in both conditional cash transfers, social transfers and aid with micro-financing in order to mitigate the concerns of the public.

4.6. Technology and Communication

Technology and communication have always been priorities to the IFRC; and not only in the crisis context, communication is always essential within small organizations as well as large financial corporations. Within the economic crisis, technology and communication are of course just as necessary. As discussed previously, National Societies have seen an influx in demand and while it is great that those in need are finding the resources they need, there is surely still a large population of those who do not know where to go. Beneficiaries who have been long time recipients of course know the route to social aid, but in the case of the ‘new generation’ and new ‘working poor’ the path to aid is much less clear. Communicating to the public the best and most appropriate means of aid will not only help the
beneficiaries, but the Red Cross Red Crescent as well. Establishing a dialogue between beneficiaries and benefactors is becoming increasingly important, especially as the ‘new’ beneficiaries need extensive support and close counselling in the long term perspective\textsuperscript{31}. This recommendation fits into and can be applied to all target groups and should be incorporated within each previous recommendation as well. While the technology aspect may be difficult to grasp for the elder groups (i.e. elderly ‘working poor’), in administering and utilizing within the ‘new generation’ web-based communication will understandably be much more effective.

Use of technology and communication within the context of this report encompasses all aspects by providing an efficient and cohesive means of networks through both external relations, with recipients and internal relations, within the National Societies. Communication does not necessarily only entail technological and web-based communication such as email, twitter, and Facebook. While communication often includes technological tools, it is also simply a means of informing others about news and updates. The two concepts are intertwined but it is necessary to differentiate when addressing issues such as information dissemination. The Red Cross Red Crescent has mechanisms and guidelines for communicating and mobilizing during a natural disaster, as the vulnerable and needy groups are more easily identifiable. Within the context of the economic crisis though the target groups selected within this report are much less visibly identifiable. The issue, which needs to be addressed, is how the Red Cross Red Crescent reaches each of these groups in order to fully assist those in need.

Communication and Technology is of course not being utilized in the same context of natural disasters where food and supplies need to be sent within hours of occurring, this being said, effective modes must still be utilized.

- **Psychosocial Support**: In assisting those seeking help, first and foremost finding them and letting them know where to get help in this area is necessary. Maintaining effective phone lines, as well as allowing for online platforms where people in similar situations (target groups) can communicate with one another and gain support could be a helpful tool. This reduces the need for travel, while allowing those who wish to be anonymous, remain so. Furthermore, updating this online platform with resources where the Red Cross Red Crescent can further assist could be helpful. The youth could also assist in spreading the word about the programs. The NEETs are in particular need of job assistance therefore utilizing their manpower to spread the word, not only places them in employment but further expands the awareness of the programeing to the community at large.

- **Private Partnerships**: In this recommendation, effective communication is absolutely essential. As discussed by the Danish Red Cross, encouraging participation and always allowing for input from all parties was the best means of garnering funds and encouraging volunteers. Technological advances could also be brought in from the private foundations. If a National Society is working with a financial firm, what resources do they have that could be of aid? Utilizing skills, communicating these needs and sharing technology can be just as important as the funding schemes the partnerships are focused on.

- **Early Warning Concept**: Communication is also key within this context. Getting to those people before they fall below the poverty line is necessary and in order to do so, finding them and giving them accessibility to Red Cross Red Crescent resources must be done in

\textsuperscript{31} IFRC Beneficiary Communication, briefing note http://www.ifrc.org/Global/Publications/communications/302600-briefing-note.pdf
time. In terms of utilizing technology, economic forecasting is obviously not a viable nor reliable option. But using data that is produced by either the Red Cross Red Crescent or other reliable sources such as OECD, World Bank, etc. can assist in finding these groups early. Data simulation can also be used in determining how and when these groups need to be assisted (and it what ways) before they fall below the poverty line.

- Cash Transfer Programming: Technology has been used in CTP in various contexts within the Red Cross Red Crescent. In developing countries going through both natural disasters as well as conflicts, SMS messaging has been of great aid. While this could also be helpful in the context of the economic crisis, there is less of a need in this situation for on the spot, quick responses. Within the Europe Zone, where internet is much more utilized and accessible (particularly with the younger generation), using online platforms to spread messages is a quick and easy means of reaching this target group. Advertising in the form of ‘job training’ and ‘employment’ can bring the youth in, who can then participate in the above recommendation schemes.

In speaking the Spanish Red Cross they also emphasized the use of communication as a major concern (Interview Spanish Red Cross representative, 2014). Both externally, by getting the word out about the Red Cross’s work, as well as internally, within the National Societies. Links between the different offices within Spain were created in order to inform one another of the happenings within the different offices and the larger community. While this also occurs on the international level, further development is necessary.

5. CONCLUSIONS

The economic crisis in Europe is a major challenge for individuals, communities, governments and the Red Cross Red Crescent. National Societies in the Europe Zone have encountered great changes in the structures and relations within societies. This report aimed to answer the question what innovative policy reforms the Europe Zone Red Cross Red Crescent Societies can implement in order to successfully and sustainably deal with the socio-economic consequences of the economic crisis. Five recommendations for policy reforms were presented for the National Societies with supporting policy instruments in order to deliver humanitarian aid to the different target groups (NEETs, working poor and the new generation). The policy practice which best fits the specific features of the different National Societies can and should be determined by the judgment and expertise of each National Society. The range in policy alternatives presented leaves room for modifications within each recommendation, enabling the National Societies to respond effectively to the changes in the different target groups within their own context.

The policy recommendations presented are:

1. Psychosocial support
2. Intergenerational & in-community support and cooperation

3. Cooperation with third parties, partnership with: other grassroots organizations and private parties

4. Early warning concept

5. Conditional cash giving

6. Technology and communication

By presenting these policy alternatives, we have provided the Europe Zone Red Cross Red Crescent Societies with policy recommendations to cope with the changing patterns of aid, and to be better able to prevent, mitigate and respond in a sustainable way to the humanitarian consequences of the economic crisis by strengthening individuals and community resilience.

6. REFERENCES & LITERATURE LIST

Bertelsen, Jesper. Senior consultant/Acting head of National Support in the Danish Red Cross. (April 4, 2014) Interview on strategic partnerships in the Danish Red Cross. Leading questions of the interview are included in attachments.

Brueli Carreras, Antoni. Coordinator General Spanish Red Cross. (March 31, 2014) Interview on policy reforms by the Spanish Red Cross. Leading questions of the interview are included in attachments.


IFRC (2009b) Social Media Guidelines for IFRC Staff.


The Reference Centre for Psychosocial Support, interview (2014) Insights on possible responses with psychosocial support within RC/RC national societies in the Europe Zone. Responses to question of the CEU team on the future of psychosocial support.


7. ANNEXES

7.1. Leading Interview Questions

Semi-structured interview related to Workshop number 3 under Theme 2 at 9th European RCRC Regional Conference: “The Future of Humanitarian Aid: addressing changing patterns through innovation”

Experiences of Europe Zone National Societies in adapting to the changed socio-economic and underlying vulnerabilities patterns as per the impacts of the economic crisis

1. Introduction

This semi-structured interview is intended to provide an appropriate depth of information about selected National Societies experience in adapting to the changed socio-economic and underlying vulnerabilities patterns as per the impacts of the economic crisis.

The interview should only take about 60 - 90 minutes. It will be will be delivered via WebEx.

This interview is part of the background research that the IFRC Europe Zone Office commissioned to the Central European University. The information gathered through this interview will be used by the Master level students and their professor of the Central European University for the final report.

The aforementioned background research will provide relevant background information for the Workshop number 3 under Theme 2 at the upcoming 9th European RCRC Regional Conference in Italy (3-6 June 2014): “The Future of Humanitarian Aid: addressing changing patterns through innovation”.

2. Overview of the key questions

• What was/were the specific reason(s) that led your National Society to change its operational methods/strategy with a view to adapt to the changed socio-economic and underlying vulnerabilities patterns?

• Would you say that there were more alternative solutions to adapt to the changed socio-economic and underlying vulnerability patterns?

• What changes has your National Society introduced at operational and strategic level to adapt to the changed socio-economic and underlying vulnerabilities patterns?

• Did this changes include specific service delivery/implementation methods? If so, please describe them.

• Did any monitoring and/or evaluations take place, or is still taking place, during the implementation process?

• Are there, in your opinion, any other means of dealing with the impacts of the economic crisis that your National Society could implement? If so, what are them?

• What are the main internal and external factors that have affected your National Society’s capacity to adapt to the new socio-economic context and the underlying factors of vulnerability?
7.2. Questionnaire format and questions

NB.: for the German Red Cross we had additional questions, listed under the presented standard questionnaire for the other respondent National Societies.

Questionnaire related to Workshop number 3 under Theme 2 at 9th European RCRC Regional Conference: “The Future of Humanitarian Aid: addressing changing patterns through innovation”

Experiences of Europe Zone National Societies in adapting to the changed socio-economic and underlying vulnerabilities patterns as per the impacts of the economic crisis

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<thead>
<tr>
<th>National Society</th>
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<tbody>
<tr>
<td>Responsible person who filled in the questionnaire and contact details</td>
<td></td>
</tr>
<tr>
<td>Date</td>
<td></td>
</tr>
</tbody>
</table>

Dear survey participant,

• This survey is intended to provide an appropriate depth of information about selected National Societies experience in adapting to the changed socio-economic and underlying vulnerabilities patterns as per the impacts of the economic crisis.

• This survey is part of the background research that the IFRC Europe Zone Office commissioned to the Central European University. The information gathered through this questionnaire will be shared with the Master level students and their professor of the Central European University who are conducting the research and will be used for the final report produced by the Central European University.

• The aforementioned background research will provide relevant background information for the Workshop number 3 under Theme 2 at the upcoming 9th European RCRC Regional Conference in Italy (3-6 June 2014): “The Future of Humanitarian Aid: addressing changing patterns through innovation”.

• This survey does not require additional research for the National Societies.

• Please note that the size of the text boxes for your answers is not fixed.

Q1. What was/were the specific reason(s) that led your National Society to change its operational methods/strategy with a view to adapt to the changed socio-economic and underlying vulnerabilities patterns?

Q2. Would you say that there were more alternative solutions to adapt to the changed socio-economic and underlying vulnerability patterns?

Q3. What changes has your National Society introduced at operational and strategic level to adapt to the changed socio-economic and underlying vulnerabilities patterns?

Q4. Did these changes include specific service delivery/implementation methods? If so, please describe them.

Q5. Did any monitoring and/or evaluations take place, or is still taking place, during the implementation process?
Q6. Are there, in your opinion, any other means of dealing with the impacts of the economic crisis that your National Society could implement? If so, what are they?
Q7. What are the main internal and external factors that have affected your National Society’s capacity to adapt to the new socio-economic context and the underlying factors of vulnerability?

ADDITIONAL QUESTIONS FOR THE GERMAN RED CROSS

Q8. How does implementing cash transfer programmes in your view differ between disaster contexts and longer term aid such as that required by the impacts of the economic crisis?
Q9. How would, in your view, the implementation process of unconditional cash transfers look like in the framework of the long term consequences of the economic crisis?
Q10. Did your National Society ever considered to implement conditional cash transfers?
Q11. How effective would, in your opinion, conditional cash transfer be in the context of the economic crisis and its effects in Western Europe? How would, in your view, the implementation process of conditional cash transfers look like in the framework of the long term consequences of the economic crisis?

7.3. STATA DO-FILE

To be used in Stata SE 12.0 to run the analyses as presented in the report
1. . use [[location dataset European Social Survey round 6]]
2. describehincfe
3. summarizehincfe
4. tabhincfe
5. describepdwrk
6. summarizepdwrk
7. tabpdwrk
8. tabpdwrkhhincfe
9. describehinctnta
10. summarizehinctnta
11. tabhinctnta
12. tabhinctntahincfe

7.4. LIST OF ACRONYMS AND ABBREVIATIONS

CTP: Cash transfer programs
IFRC: International Federation of Red Cross and Red Crescent National Societies
NEETs: Young people who are not employment, education or training.
IRC: Icelandic Red Cross