

Social disinvestment and vulnerable groups in Europe in the aftermath of the financial crisis

The case of older job seekers in Austria

Elisabeth Buchner & Ortrud Leßmann



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Executive summary

This report is prepared in the framework of the Europe H2020 project ‘Rebuilding an inclusive, value based Europe of solidarity and trust through social investments’ (RE-InVEST). The project aims to evaluate the social investment strategy of the European Commission implemented in 2013 in response to the social damage of the financial crisis in 2008. The RE-InVEST consortium assesses the social damage of the crisis from human rights and capability based approaches with an eye to those vulnerable groups affected the most by the crisis in the 12 countries (and 13 regions) covered by the consortium. The analyses are carried out by the local partners, who consist of NGOs and/or researchers.

In comparison to other European countries, Austria has gotten well through the crisis. Mainly the banking sector and exporters – in particular manufacturing trade – have been affected by the crisis. The government helped the former by bail out policies. The latter has recovered quickly. Unemployment increased only moderately at first, but since 2013 unemployment rates are rising. The group of older unemployed (aged 45 and more) is particularly affected for various reasons: The effect of the demographic trend of an aging society is reinforced by the politics of lifting the retirement age. Further, older unemployed have to search longer for new employment. In sum, these effects lead to an increasing share of older unemployed. For this reason the group was identified as particularly affected by the crisis.

The RE-InVEST consortium has jointly developed the PAHRCA-methodology that combines principles of Participatory Action research with Human Rights and Capability Approaches. This qualitative, participatory research does not generate representative results but rather aims at an in-depth understanding of the economic, social, cultural and political impacts of the crisis on the lives of vulnerable people and giving them a voice in the co-creation of knowledge process between researchers, professionals and target group. In Austria six women and three men aged 45 to 60 years and unemployed despite their qualification participated in the study.

The biographies of K. and L. illustrate the marks of the crisis on individual life courses. The situation of K. was characterised by the close interdependency of private and professional life so that the economic impact of the crisis on her husband’s consultancy firm has far reaching consequences:

‘Our life has been practically devastated. The firm gone, house gone, livelihood gone, son has given up school and I have started from scratch.’

In contrast to that the narrative of L. tells the story of the creeping process of growing pressure and competition that was reinforced by the financial crisis and has led to her burnout:

‘Of course for me, 2015 was an utterly miserable year, but in the end I got out well. Sooner or later I would have had to do it anyway, to get out of there before I lost my mind.’

While the biographies exemplify the effects of the crisis in the course of time, the analysis is based on contributions of all participants and is arranged thematically. The financial crisis was perceived by the participants as a sneaking process that aggravated the situation. For instance, temporary agency workers lost their jobs during the crisis and even though the employment level in the sector recovered soon, their salaries have not reached the pre-crisis level again. The most dramatic change in the lives of the participants was becoming unemployed and having to look for new employment. The new strategic orientation of social investment has not trickled down to Austrian employment policies yet: Participants report that the treatment at the Public Employment Service varies a great deal depending on the clerk in charge of the individual case.

Often they have not received the information they wanted. They have had little say in setting up their 'support agreement' or in choosing training courses or in determining the volume of their future employment. Many regulations impede pro-active behaviour by the unemployed as the example of visiting other countries shows: Unemployed need to give notice of their traveling and register anew on return – even for one day. Apart from what they call *'living in standby-mode'* participants suffer the most from deteriorating social contacts and lacking social recognition: They have lost friends and their families are affected as well. They are depressed by the way people ask how they are doing since it is less an inquiry on their well-being than an inquiry on their professional activity. That employment is the foundation of social recognition is also obvious in the derogative way politicians talk about unemployment and the unemployed. However, older unemployed do not lack in qualification or enthusiasm, they are simply aged around 50 and are thus judged by enterprises to be close to retirement although politics aims at lifting retirement age.

Participants have had support from various parties: their friends and families as well as doctors and psychotherapists. Beyond medical treatment and psychotherapy the latter gave them time and opportunity to recover before their first contact with the Public Employment Service. Finally, participants view all opportunities for actively participating in society as important instances of social recognition and bases of self-respect.

In conclusion while the financial crisis has not hit Austria as strong as other countries, it has had effects: Unemployment is on the rise, in particular among people aged 45 and more. Austerity policy has continued and undermined trust in politics and existing institutions. The core idea of the social investment strategy of the European Commission - 'investing in people' - has not gotten to older unemployed in Salzburg. They have rather been impeded to invest in lifelong learning and training. Furthermore, legal security is undermined insofar as the information and support provided by the Public Employment Service varies with the clerk in charge and because integrated case-management of multiple problems is missing. Participants have noticed the development of a culture of competition and distrust. They are concerned about raising inequality and increasing visibility of poverty. However, they also ask if the crisis may be seen as a chance to solve the problems that have been lingering since long.

Preface

The research consortium RE-InVEST decided to follow a participatory approach that is able both to reflect the current thinking of people affected by (social) policy as well as to inspire action to change it. This research methodology is challenging in many ways, but first and foremost requires trust between researchers and participants. We are most grateful to the participants in our group who lived up to the ideal of co-researchers in the course of the first stage of the project that is the subject of this report. Many thanks to them for sharing their experience and giving their thoughts on the findings!

We would also like to thank all those who have enabled the project to become a success so far: The Alliance for Jobs for Best Ager (Bündnis Arbeit für Best Ager, our partner NGO for this project), Frau & Arbeit (Woman & Work), Kirche und Arbeitswelt (Church and Working Life) and Bewohnerservice Salzburg (publicly funded district work in the city of Salzburg) that helped in recruiting participants for the project and participated in our steering committee. Furthermore, the exchange with our RE-InVEST colleagues was crucial in developing the methodology. Finally, financial support by the European Commission is gratefully acknowledged.

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Introduction

Although ‘inclusive growth’ is one of the pillars of the Europe 2020 strategy, the social dimension of the strategy has lost momentum with the (Euro) crisis and the ensuing priority given to macro-economic stabilisation policies. The agreed target of alleviating poverty by 20 million poor in 10 years cannot be reached anymore due to the crisis. Instead, inequalities are growing, unemployment and poverty are reaching new records, particularly in the peripheral regions of the EU. In 2013, the Commission launched a major endeavour to rebalance economic and social progress: the Social Investment Package (SIP).

Whereas the trends in - and causes of - increased inequality and social exclusion have already been extensively studied, the economic, social, cultural and political consequences of this growing divide are less clear. RE-InVEST aims to fill this gap by evaluating the SIP from a human rights and capability perspective. The first step in this endeavour is a diagnosis of the social damage of the crisis in terms of (the erosion of) human rights, social (dis)investment, loss of (collective) capabilities, and loss of trust. This national report analyses the impact of the crisis on unemployed people in Austria aged 45 and older.

The research builds on prior work on the consequences of growing inequality. For example Wilkinson and Pickett (2010) argue that inequality affects people’s psychological health, trust, the overall social climate, and indirectly also boosts violence, racism, mental illness, infant mortality, suicide etc. Moreover, this seems to apply to rich as well as poor people. One of the most worrying trends since the outbreak of the crisis is the dramatic decline of trust in institutions, including the European Union. This link deserves further investigation. Other alarming symptoms are massive homelessness, youth unemployment, and emigration of young people as well as resurgence of contagious diseases or indeed suicide rates among the poor (Nicaise and Schepers 2013).

Hence, a first key working assumption of RE-InVEST is that growing distrust and indeed resentment among the population towards institutions in general and European institutions in particular may be attributed to (a rejection of) the neoliberal policies employed by national as well as European elites in recent years. As shown by social capital experts such as Uslaner (2003), Kumlin (2004) and Larsen (2007) countries with higher social-expenditure-to-GDP ratios tend to generate more trust among their population through the achievement of more equal opportunities. Furthermore it is well known that trust is positively correlated with income or socio-economic status (Finsveen & Van Oorschot, 2008; EC, 2007). Hence, it seems quite plausible that the retrenchment of the state, in conjunction with rising inequality and income insecurity, may have undermined trust, especially among the poor and the ‘precariat’ (Standing 2011).

However, these developments do not provoke solidarity with the poor or a collective reaction reclaiming the welfare state as a guarantee of social inclusion. This is partly due to the asymmetries in the effects on different social groups, and partly because of the shift in social capital and cultural values (focus on individual responsibility, reduction of the ‘tax burden’, downsizing of unions and NGOs, etc.) to which neoliberal policies have contributed. Further developments may help explain why European citizens remain divided such as the erosion of the middle-class, uncertainty among workers and the rise of precarity, internalisation of the obsession with austerity and the pressure of internal and external migration. In order to rebuild a consensus about the social dimension of European policies, there is a need for a diagnosis of the social crisis that can be shared by large Sections of the population: the socially excluded, the peripheral regions, the labour movement and the ‘average citizen’ (Deneulin, Nebel, and Sagovsky 2006; Dubois 2009).

A second key working assumption of RE-InVEST is that this integrated diagnosis can build on the idea of the erosion of basic social rights and the disinvestment in capabilities of individuals and groups in the EU. This means that experiences of insecurity, poverty and social degradation need to be re-analysed from

those perspectives. Human rights (and basic economic, social and cultural rights in particular) can be seen as the cornerstone of European values and thus an essential part of our European heritage (Hart 2010). By fragmenting and weakening public services as well as civil society organisations, trade unions etc. solidarity is undermined and the role of collectivities in enhancing individual capabilities is constrained. RE-InVEST aims at giving vulnerable people a voice and therefore has opted for using a participatory research approach. Researchers and participants jointly analyse the impact of the crisis on capabilities and human rights. This report summarises the diagnosis of social damage of the crisis for Austria. The next Section describes the national context in Austria and motivates the choice of the target group: People in the age of 45 to 65 have experienced a sharp increase in unemployment in the aftermath of the crisis. Not only is their absolute number as well as their share in unemployment growing, they also have particular difficulties in finding new employment once they have become unemployed. Section 2 briefly introduces the theoretical framework and the methodology of Participatory Action Human Rights and Capability Approach (PAHRCA) developed by RE-InVEST. Further, the implementation of PAHRCA in Austria is described. Section 3 comprises the two biographies from Austria. In Section 4 these and the testimonies of the other participants in the group are analysed with regard to the impact of the crisis on social investment, human rights and capabilities: ‘Which crisis?’ has been a frequent reaction to the presentation of RE-InVEST, indicating that the crisis in 2008 has not been imprinted on Austrian’s memories. The participants of the Austrian group have of course mostly suffered from being unemployed and searching for a job. But this has had further impacts on social networks, social recognition on a larger scale, politics and the health care system. Section 5 summarises the impact of the crisis on human rights, capabilities and social cohesion and presents some conclusions.

1. National context

1.1 Austria and the crisis

1.1.1 Background

The Austrian economy has benefited immensely from the EU Eastern enlargement and the introduction of the Euro. After two decades of comparably low economic and real wage growth, gradually rising unemployment and several austerity packages including welfare cuts and privatisation, Austria entered a period of economic upturn in 2003. Real wages grew significantly in 2006 and 2007 and unemployment fell below 4% in 2008. (Hermann and Flecker 2015) Especially the recently privatised banking sector benefited from large-scale and in part highly risky investments in Eastern Europe. However, while profits rose in booming sectors, the wage share decreased from 75% in 1998 to 66% in 2007. The long term trend shows an increasing tax burden on labour compared to other types of income. (Glocker et al. 2014: 254–56)

As a result of these developments the already high export orientation and reliance on external demand of the Austrian economy increased even further, making it particularly prone to the effects of the crisis. (Hermann & Flecker 2015)

Compared to EU average, unemployment remained low throughout the last decades though. Retaining high employment rates has been a political priority, especially for the Austrian social partners, who dominated Austrian policy making in the first decades of the Second Republic and still exert considerable political influence. As labour market problems began to increase since the 70s, early retirement provisions were used extensively to prevent unemployment. As a result, the de facto retirement age is still below EU-average and spending for early retirement pensions has grown strongly until the turn of the century. (BMASK 2014: 227) Despite a sharp increase in unemployment rates since 2012/2013, until the end of 2015 Austria still had the lowest unemployment rate in the EU.

Modernisation, liberalisation and economic integration led to changes on the Austrian labour market corresponding to trends in many other EU countries. Although no large scale deregulation took place, atypical and precarious forms of employment have grown. Between 2004 and 2014 the part-time quote increased from 19,9% to 26,9%. (Eurostat o.J.) There is a tendency of polarisation of the labour force, meaning that precarious jobs and long-term unemployment are concentrated on certain groups who are at risk of more or less permanent exclusion from stable standard employment and corresponding rights and entitlements. (Eichmann & Saupe 2014: 62–63; Atzmüller 2009: 142) This group comprises people with a migration background, low formal qualification, women, single parents and people with disabilities. People with a migrant background for example work significantly more often below their qualification level, in low wage sectors or in jobs with low professional prestige. (Eppel, Horvath, und Mahringer 2013) Almost half of female workers are part-time employed. If women change from part-time work to another labour market position, they have a 100% higher risk than men of ending up in the low wage sector, earning less than two thirds of medium income. (Eppel, Horvath & Mahringer 2013: 89–90) Childcare obligations are the main reason why women decide to work only part-time. (Knittler 2015) The predominance of non-standard employment among women reflects the highly unequal distribution of paid and unpaid work between the sexes in Austria. As a consequence women face a much higher poverty risk than men, especially after they retire. Also the gender pay gap between men and women is above EU average, despite a slight decrease between 2008 and 2009. (Statistik Austria 2015b)

Unemployment constitutes a high poverty risk, because in the Austrian conservative welfare state with its ‘Bismarckian system’ and its high proportion of cash benefits instead of public services, labour market participation is crucial for integration into social security systems. Welfare institutions continue to discriminate against people with discontinuous working careers, especially women and low income earners. (Hermann and Flecker 2015: 196; Fink et al. 2010: 85) Unemployment benefits are calculated on the basis of previous income without a minimum allowance so that those strata of the working population are most severely affected who do not manage to enter into lasting employment. As a consequence workers with low income are not entitled to sufficient benefits to cover their living expenses in case of unemployment, although their risk of becoming unemployed is much higher than for others. As Fink states, the number of people for whom ‘*unemployment is just interspersed by rather short spells of employment (or illness) (...) increased from ca. 34,500 in 2008 to ca. 82,000¹ in 2014.*’ (Fink 2015a: 10)

While unemployment is rising sharply, the working population is growing as well. Between 1994 and 2013 the workforce rose from 3.7 to 4.1 million. (Statistik Austria 2016a) The reasons are increasing labour market participation of women, longer working-life due to the gradual increase of the retirement age and immigration, especially from Eastern Europe. However, the volume of work is not increasing correspondingly which leads to more part-time and insignificant employment, flexible under-employment and both periodic and structural unemployment.

1.1.2 The crisis in Austria: impact and political reaction

In 2009 Austria experienced the sharpest recession since 1945. GDP contracted by 3.6%. Two sectors of the Austrian economy were particularly affected by the financial crisis: banking and exporters, especially manufacturing companies. Exports plummeted by 20% in 2009. (Hermann & Flecker 2015)

The immediate anti-crisis measures of the Austrian government followed the Keynesian approach and included stabilisation programmes for particularly affected sectors and budgetary stimulus measures (tax cuts, a car-scrapping scheme to boost new car sales, public investment in infrastructure and state-supported loans for Small and Medium Enterprises). For the staggering banking sector a rescue package with a size of up to 100 billion Euros was put in place (until the end of 2014 7.3 billion were spent on shares and liabilities of Austrian banks).

The budgetary burden of bailouts for banks is huge. Public debt soared by 4.3%, when federal government had to take over the liabilities of the ‘Bad Bank’ Heta in 2014. (Bundesministerium für Finanzen 2015: 98–99).

Another important feature of Austrian anti-crisis policies was the re-vitalisation of social partnership. Two labour market packages were set up with the support of the social partners. The most important measure was the reform of temporary short-time working as an alternative to job cuts. Wide use of short-time work is considered as the most important factor for the only moderate increase of unemployment (+1.4%). Other changes with respect to training and life-long learning were less widely used.

At the end of 2009 exports had almost recovered to pre-crisis levels. The budget deficit had increased because of the anti-crisis policies (2008: -1.4%; 2009: -5.3%; 2010: -4.4%). (Statistik Austria 2015c) Therefore the federal budget for 2011 foresaw savings of 1.6 billion Euro through an increase in consumption taxes and cuts in the education and research sector, in care and family allowances and to a lesser extent in pensions. Further, a bank levy was introduced for a limited period of time. For the period between 2012 and 2016 an austerity package was designed with budgeted savings amounting to 19 billion Euro, thereof 7.3 billion in the pension system and 1.4 billion in healthcare. (Wirtschaftsblatt 2010)

1 Defined by the number of people registered with the PES, who have been unemployed for at least one year, with an interruption of up to 62 days because of illness or employment not taken into account. These persons are categorised as ‘long-term unoccupied’.

However in conclusion cuts in social services were limited to certain specific measures in line with previous welfare reform paths. As Fink puts it: *'Contrary to many other EU-Member States no large-scale or structural retrenchment took place in most social policy areas in Austria during the last years.'* (Fink 2015b)

The proportion of people affected by poverty and social exclusion has not increased at household level (Lamei u.a. 2014: 342), although the unemployment rate has increased and the market income distribution has become more unequal during the last years. (Eichmann and Saupe 2014, 120). The lowest income decile of workers in 2013 earned only 56% of the comparative value in 1998 (Rechnungshof 2014: 21; 32–42). However, at the household level various entitlements such as family and care allowances, unemployment and housing benefits and progressive income taxation contribute to reach an equivalent income above the poverty threshold. The redistributive features of the Austrian welfare state have reduced the risk of poverty from 44% (household income without pensions and social benefits) to 14% in 2015. (Statistik Austria 2015a: 70; Obinger 2015)

Also, around 90% of all unemployed registered with the Public Employment Service (PES in the following for Arbeitsmarktservice or AMS) receive unemployment benefits, although it is not clear how many are unemployed and do not get benefits, because they do not register with PES for various reasons. (Fink 2015b)

Unemployment is rising steadily since 2013. In particular persons who are not Austrian citizens and people aged 50 or more years are affected, while youth unemployment has decreased slightly. (Arbeitsmarktservice Österreich 2015) The average duration of unemployment has increased sharply and long-term unemployment has more than doubled between 2008 and 2014. Around one third of all registered unemployed persons are long-term unemployed, meaning they are out of work for more than one year. (Höller 2015) The at-risk-of poverty rate of long-term unemployed persons is high. According to EU-SILC data, 45.7% of those with 'unemployment' as the most frequent activity status in the previous year were at risk of poverty in 2013. (Fink 2015a, 6)

Due to these developments, demand for Active Labour Market Policy has increased both quantitatively and qualitatively, while the budget for ALMP has not. As a result, the available funding per person has decreased and cuts were made to certain qualification measures. For 2016 and 2017 retraining grants for low skilled workers or unemployed people were put on hold (Pfleger 2015).

Newly created jobs are often precarious. This means, that *'(...) the crisis has prolonged and accelerated the long-term trend of flexibilisation and precarisation, which has become an important feature of the Austrian labour market.'* (Hermann and Flecker 2015: 204). The growth of labour market segmentation and social inequality are major problems of the Austrian system, which are not countered by adequate social investment. As Hermann and Flecker (2015: 207) put it: *'(...) while Austria seems to be able to hold on to existing achievements, it is not making the investments needed to cope with future challenges, including long overdue investments in public infrastructure and research, as well as in a profound social and ecological modernisation.'*

Many Austrians feel that they have been directly affected by the crisis. Public opinion polls indicate an increasing feeling of uncertainty and distrust in political actors and institutions. Opinion polls after the parliamentary elections in 2013 showed that almost half of the voters think that Austrian politics is failing frequently on crucial issues. (Ullram 2013) The grand coalition between the Social and the Conservative Party (SPÖ and ÖVP) that is governing Austria since 2006, is losing support and the party system is changing: new parties emerge on the political landscape and the right-wing populist, EU-sceptic Freedom Party (FPÖ) is gaining more and more support. The FPÖ managed to triple their percentage of vote in the elections to the European Parliament in 2014 and won more than 30% of the votes in two out of three state elections in 2015. Trust in national and EU institutions decreased further and the assessment of economic and labour market development deteriorated, according to Eurobarometer results. Only 13% of Austrian respondents agree that things are going into the right direction in the EU, while 56% disagree. Also, more than half of the respondents in 2015 are fairly or very pessimistic about the future of the EU and think that the worst impact of the crisis is still to come. (Europäische Kommission 2015)

1.2 Salzburg and the crisis

The federal state of Salzburg had engaged in highly speculative trades before the crisis. This led to huge speculative losses after the financial crisis hit the Eurozone. After the scandal came to light in 2012 the government was replaced by early elections. The new government adopted an austerity budget in 2014, after the budget deficit rose sharply in 2013. (orf.at 2013)

While the political scope for social investment was reduced thereby, living costs have been rising and real wages stagnating. Compared to all other federal states wages are lower in Salzburg in 2014, due to low average wages and a high share of part-time and seasonal work in the disproportionally large service sector (tourism, especially accommodation, gastronomy and trade). (Arbeiterkammer Salzburg 2016) Rents increased in Austria by 15.1% between 2010 and 2014. In Salzburg the increase in rents was the highest throughout Austria. Between 2004 and 2015 rents increased by 36.2%. (orf.at 2016; *news.ORF.at* 2015) Similarly, real estate prices have risen. Single-family houses are more expensive in Salzburg than in other Austrian federal states. Between 2009 and 2014 market prices for real estate in the city of Salzburg have increased by almost 40%. (Arbeiterkammer Salzburg o.J.)

The high costs of living especially for housing lead to more applications for social assistance. Between 2010 and 2014 unemployment has risen by 27.8% in the federal state of Salzburg and by 42.7% in the city of Salzburg. One quarter of the unemployed needs additional social assistance (means-tested income support), because the unemployment benefit is too low. The number of recipients of means-tested income support has increased by 8% between 2013 and 2014. 70% of them have some sort of income, but are unable to support themselves due to the rising living costs. (Land Salzburg, Abteilung Soziales 2015)

Food banks in Salzburg experienced a rise in demand in 2009, the first crisis year in Austria, by 20% (countryside) respectively 10% (city of Salzburg). (APA - Austria Presse Agentur 2009)

Asked about future prospects concerning economic development, poverty and inequality, the people of Salzburg give rather pessimistic answers. One survey from 2013 found that 84% of respondents agree with the statement that the gaps between the rich and the poor in Salzburg will increase (92% of unemployed respondents) and 80% agree that the economic upward mobility will be more difficult in the future. (Nowotny 2013)

1.3 Older job-seekers particularly affected

After a small recovery from crisis-related labour market problems in 2011, unemployment has been rising steadily in Austria since 2012/2013. Whereas at the beginning of the crisis in 2009 young people between 15 and 24 were disproportionally affected by the rise in unemployment, the age based risk has been reversed in the following years. In April 2015 already one in four unemployed persons was aged above 50 – this marks an increase of 17.2% compared with the same month in 2014. In Salzburg, one out of three unemployed persons is aged 45 or older. In no other age group unemployment has been rising faster. Together with migrants, people with low formal qualification and people with disabilities older people are hit the hardest. (see Austrian Ministry for Employment 2014, 373; *Wirtschaftsblatt* 2015/05/05)

Due to the demographic transition this age group is growing in numbers and as a consequence of various pension reforms since 1992 they have to be available on the labour market longer, though real employment opportunities look grim.

In February 2016 unemployment in the federal state of Salzburg decreased slightly compared to the previous year, for the first time since almost four years. Only in the age group 50+ unemployment continued to grow (+2,9%). (Arbeitsmarktservice Salzburg 2016)

Especially after the turn of the century comprehensive early retirement provisions have been reduced, attempting to adapt the factual retirement age to the statutory one. Older people who become unemployed experience considerably more difficulties in finding new employment in Austria than younger persons. Job loss at an older age constitutes a huge risk to lose access to the labour market once and for all. This is especially problematic because in the Austrian conservative welfare state with its 'Bismarckian system' and

its high proportion of cash benefits instead of public services, labour market participation is key to integration into social security systems.

Early retirement schemes have been used since the 70s as a political strategy to address labour market problems. Therefore the Austrian labour market is still ill-equipped for the participation and especially the (re)integration of older workers after a gap in employment. Consequently the labour market participation of older persons has been low. Despite a steep increase since the turn of the century, in 2008 the employment rate of people aged 55 to 64 was 41% only. By 2015 this has increased marginally to 45.1%, which is still low compared to EU-average (50.8%). (Statistik Austria 2016b; Famira-Mühlberger, Huemer & Mayrhofer 2015: 3)

Therefore the average period of unemployment is much higher for older workers and they account for more than one third of all long-term unoccupied and almost half of the long-term unemployed. (Arbeitsmarktservice Österreich 2015) This group faces a considerably higher risk of persistent unemployment and impoverishment.

Also the structure and dynamic of unemployment for older people differs from the younger generation in that they have a significantly higher risk of long-term unemployment if they become unemployed. (WIFO, AMS 2013: 3) Their situation can be described as a double trap: on the one hand, unemployment among them is severely rising; on the other hand, they are much less likely to find another job.

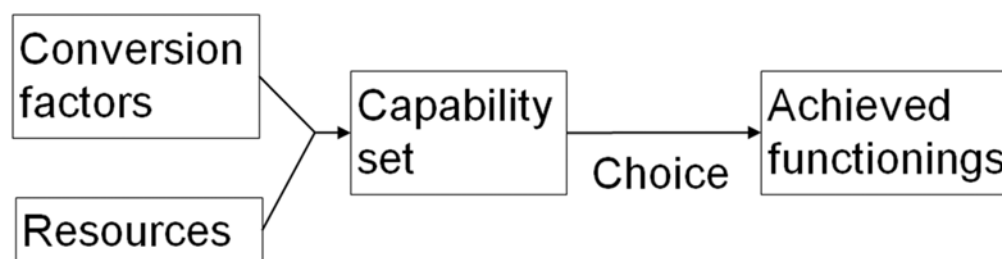
For 2016 and 2017 the budget for Active Labour Market Policy has been increased considerably for the target group 50+. However most of the funding is being spent on temporary wage subsidies ('integration allowances'), rather than on qualification and training. High quality training is difficult to access. Still 8% of the total budget for ALMP is spent on measures for exiting the labour market prematurely (semiretirement programs, transitional allowance, advance on future pensions from the unemployment insurance scheme). (Bock-Schappelwein et al. 2014: 83)

Summing up, older people are hit by the crisis and crisis-related policies in two ways: There is more pressure on them than before to work until they reach retirement age. In times of high unemployment they are disadvantaged by the ill-preparedness of Austrian politics and economy to (re)-integrate older job-seekers in the labour market. Although many of the outlined effects of the crisis and crisis-related policies affect broader strata or the Austrian population as a whole, the labour market related capabilities of older people are particularly diminished as a result of this double effect. Therefore, the Austrian part of RE-InVEST focuses on this target group and their view on the social damage by the financial crisis in Austria.

2. Theoretical and Methodological Approach

RE-InVEST aims at investigating the philosophical, institutional and empirical foundations of an inclusive Europe of solidarity and trust. To this end it draws on capability and human rights based participatory approaches. *Human rights* form a common European basis of values and describe at the same time core elements of what constitutes well-being and a good life. Further, human rights are transformative by empowering people. Human rights are the basic rights and freedoms that belong to everyone. International law, including treaties, contain the provisions which give human rights legal effect. Ideas about human rights have evolved over many centuries and gained strong support after World War II when the United Nations adopted the 1948 Universal Declaration of Human Rights - which set out for the first time the human rights and fundamental freedoms shared by all human beings without discrimination of any kind. Human Rights are universally agreed basic standards that aim to ensure that every person is treated with dignity and respect; they are interdependent and indivisible, meaning that rights are linked and not protecting one right may impact on another, they belong to all people without discrimination. Usually set out in law, through international or regional treaties, or national legislation, they form a legal statement of universally accepted principles of how the state should treat its citizens and other people living within its jurisdiction. Human Rights include Civil and Political Rights, such as the right to life, the right to a fair trial and the right not to be subjected to torture; and Economic, Social and Cultural Rights, such as the right to work, to join a trade union, to health, to education, and to an adequate standard of living. Specific groups are protected in specific treaties such as women, children, people with disabilities, minorities, and migrants. For vulnerable people the usage of a rights-terminology has proven to change their perspective by making them aware of their rights and the ways in which their current situation compromises these rights. The *capability approach* as developed by Sen (1999) and Nussbaum (2011) defines a person's well-being in terms of the beings and doings (the functionings) a person achieves and her capability to choose among different combinations of such functionings. For leading a life one values and has reason to value resources and conversion factors are preconditions (Figure 2.1). Resources refer to the material conditions of a person: her income, the goods and services she disposes of. Conversion factors help her converting resources into doing and being well. There are personal conversion factors such as skills and bodily features, social conversion factors such as social norms and social institutions and environmental conversion factors such as climate and geography. In the end both the achieved functionings as well as the freedom to choose a life one values matters.

Figure 2.1 Resources, conversion factors, capability set and achieved functionings



For assessing the capabilities of vulnerable people RE-InVEST aims at giving them a voice. Their participation is fostered by relying on *participatory action research* that directly results in policy recommendations.

Participatory action research views participants as co-researchers who have special knowledge about their own situation. Hence they are not only asked or interviewed on their views but take part in research by engaging in, examining, interpreting, and reflecting on their own social world, shaping their sense of identity. It is a circle of knowledge generation that emerges from this method and includes the steps of knowledge production and sharing, empowerment by participation, newly generated knowledge and action that builds upon this knowledge (figure 2.2). Crucial for this kind of knowledge generation is the ‘merging’ or ‘crossing of knowledge’ that comes from three parts: scientific knowledge as gained by researchers; knowledge which the poor and excluded have, from their firsthand experience, of the twin realities of poverty and the surrounding world which imposes it on them; and the knowledge of those who work among and with these vulnerable people in places of poverty and social exclusion (figure 2.3).

Figure 2.2 Merging of knowledge



These are the core elements of the Participatory Action Human Rights and Capability Approach (PAHRCA) developed in RE-InVEST. PAHRCA entails seven steps (Toolkit, 44-45):

1. identify and meet partner NGO/gatekeeper;
2. preliminary ‘meet ups’ (for trust building if necessary);
3. first meeting with participants – trust building;
4. developmental: implement developmental human rights & capability approach;
5. inquiry/data gathering;
6. identifying patterns (key issues and themes of concern to the group) and
7. undertake action/outcome using one or combination of approaches.

In Salzburg, Austria we decided to work with older unemployed people (aged 45 to 60) after analysing the situation in Austria (see Section 2). The ‘Alliance for Jobs for Best Agers’ (Bündnis Arbeit für Best Ager) serves as gatekeeper (step 1). It is a grassroots initiative of older unemployed people who aim at making their situation known publicly, work as a pressure group and help older unemployed to find employment. After two preliminary meetings with the founder and some core members of the group (step 2) we launched a call for participation that was published by some other stakeholders as well (‘Frau & Arbeit’, a non-profit private limited company, supported by public funds and ‘Kirche & Arbeitswelt’ funded by the Catholic church). Six women and three men of the targeted age group came to our first meeting in November, two with caring responsibilities for their parents and two with children under 18, all with some health problems, all with some qualification (vocational training or university degree) and yet unemployed. (step 3). For trust building we did some sociographic line-ups, explained PAHRCA and the context of RE-InVEST to the

group (including the content of the informed consent form) and agreed on some rules of conduct within the group (see Appendix, Figure a.1.1): confidentiality, respect and recognition of limits, no advice unasked for, no discouraging story-telling, punctuality, reliability, and honesty.

Finally we used drawing as an ice-breaker, asking how the participants view their relation to the government (see Figure. 4.1 and 4.2). Following this first meeting with participants of the target group, there were two more group meetings in December 2015 and January 2016 that mainly aimed at implementing the capability and human rights approach (step 4) and data gathering (step 5). For the former we asked the participants at the second meeting to indicate the three most important elements of a good life. This method was used by Clark (2005) for generating a list of capabilities. The resulting list (see appendix) was put in contrast to the human rights based capability list developed by Burchardt and Vizard (2011a). Coming back to this at the third meeting we asked the participants to indicate the levels they achieved in the dimensions listed by Burchardt and Vizard and the trends they envision concerning these dimensions (see Appendix 2, Figures a.2.1-3). For data gathering we employed some of the methods described in detail in the PAHRCA-toolkit: both the individual snake concerning the last ten years in their lives and the collective snake concerning economic, social and political developments in Salzburg, Austria and Europe during the last ten years. Further, we used biographical story telling – a method introduced to us by Dressel and Novy (2009). The crucial point about story telling is that the stories have to be respected and cannot be judged as true or false. The focus is on life-histories rather than discussions and debate and the participants tell whatever they want to tell the others (voluntariness). A core group of three participants engaged in story telling as response to the prompts by the facilitator, the other members of the group listened and commented afterwards on the biographies. The story telling was also the main exercise for data-gathering for the biographies. Besides volunteering for this exercise, the stories for the biographies were chosen on the ground of having more problems in common with other participants of the group than the third one. Partly, the conversation following the biographical story telling was a first step in identifying matters of main concerns for the group (step 6). Further, the resulting findings have been discussed with the group in a meeting in February 2016.

Additionally to the meetings with the group we formed a steering committee for benefitting as well from the knowledge of practitioners in the field of unemployment of older people in Austria (see Figure 2.2 on merging of knowledge above). The steering committee met twice (in November 2015 and end of January 2016) to discuss the process and the first findings of RE-InVEST in Salzburg. The steering committee is composed of two participants, the founder of 'Bündnis Arbeit für Best Ager' (Alliance for Jobs for Best Ager), social workers of 'Frau & Arbeit' (woman & work) and 'Kirche und Arbeitswelt' (church & labour life) as well as the two researchers.

3. Two selected biographies²

3.1 First biography³

Our life has been practically devastated. The firm gone, house gone, livelihood gone, son has given up school and I have started from scratch.

K.'s life as she had known it, has fallen to pieces in the last few years. In 2006 she was still looking optimistically into the future: She had been married for 20 years, lived with her husband and her then 14 year-old son in a large house in an attractive district of Salzburg and worked in her husband's consulting firm— even if it gave her little pleasure:

'The usual: a job for housewives, part-time as an office worker, doing simple tasks mostly – but it worked and the firm was halfway successful.'

She had no financial worries although self-employment in the consultancy business was challenging. Her son went to a good school and they assumed he would go on to university after completing school as his parents had done. She could not imagine that her life could change so radically.

In 2005 order books in the consultancy-business were beginning to decline:

'There was an insane hype about things! Every other Tom, Dick or Harry had or needed some kind of consultancy and there was good money to be had in the business; and then when the crisis started, you realise: aha, the deals are drying up, firms can no longer really afford these expensive consulting services. And I discovered that our own firm was going downhill continuously.'

Looking back, K. nevertheless is convinced that they could have made it. However, her husband could not cope with the aggravating situation and in 2007 began to build a second family and domestic home in Germany with another woman about whom K. and her son were ignorant. In 2009/2010 they separated and fought a terrible divorce war. Her husband moved in with his new partner in Germany and declared the firm bankrupt. *'That was the moment my struggle for survival started and it has not ended yet.'*

K.'s son was in his adolescence and fell into a deep crisis after his parents' separation and his father's breaking off contact. He started playing truant and held K partly responsible for the break-up of the family.

A year later they had to sell the joint house when her husband stopped paying alimony. The house was heavily mortgaged so that after the sale, only a few ten thousand Euros remained at her disposal for subsistence. The money did not last long.

'In good times the bank had showered us with their money, 3 parallel credits, easily repayable, and then the business stops flourishing and you are on your own.'

She was faced with economic ruin, having lost her house, her job at her husband's firm and the alimony at one fell swoop and had to continue covering the fees for her son's private school. Between 2010 and 2012 she had to move house four times, one smaller and cheaper than the other. When all the savings had been eaten up, she had to ask for help from the county's school administrator (Landesschulrat) to cover her son's tuition fees.

² Many thanks to the participants for agreeing to tell their story! Both participants have carefully read the English version of their respective biography and kindly agreed to publish it as part of this report.

³ Many thanks to Jeremy Leaman for brushing up the English translation of the biography!

'I had never thought that I would be unable to pay the school fees for my child. It was inconceivable that that would ever become an issue.'

Additionally she had to apply for social welfare benefits for cover her living costs.

'In 2012 I applied for social welfare benefits for the first time in my life and it was only then I knew where I stood. It really was a black hole in its purest form. (...) Only low-life have to apply for social welfare benefits! I come from an academic background, I'd been to university and so on. Does this help me? Not in the least!'

The situation in the labour market has tightened during this time, in particular for older job seekers/wage earners. K. had just turned 50 and was eking out a living by taking on occasional jobs and seasonal work in gastronomy. To cut costs and avoid social insurance contributions, her husband had employed her only a few hours of work (in a so-called mini-job)⁴. She thus has insufficient social security credit in terms of gross contributions and qualification period. This is now creating difficulties:

'I took on any occasional job I could get. And, well, where is that possible? In gastronomy. Because I had just turned 50. I was too old for most of the other jobs. And for most employers. (...) and so I took anything that was going in restaurant business. But these are mostly temporary jobs. Seasonal work and so on. And that's the way it's been all along.'

It costs K. quite an effort to work as a seasonal waitress in a location where her former neighbours from the smart districts of Salzburg spend their leisure time: *'That was a test of courage for me.'*

Her circle of friends provided little support since most of them had not reacted well to her changed circumstances:

'... and even then you have to be careful what you say! People seem shocked if you tell the truth about being devastated and are almost forced to sleep rough (under the bridge) – this is shocking for them!'

As a consequence of all these changes, K. lost her frame of reference. She felt put down as a woman 'not fit for life', someone who might well end up sleeping rough or in the loony bin.

'My whole social network – with the exception of my family – has changed completely. There is no one left from my former circle of friends.'

Her identity and self-respect were completely shattered. Between 2011 and 2013 she suffered from a massive bout of depression. She had to undergo psychotherapy and consequently had frequent breaks from work due to illness. At the same time she tried to keep the period of days off work as short as possible. Starting in 2012 she worked for her brother as an office worker for one year, in order *'to do anything and have the right to live; in particular in the eyes of the institutions.'* However, for financial reasons her brother had to relocate his firm to a rural area, so that she lost that job too.

In 2012 and 2013 she hit rock bottom. At that time two of K's best friends died. At the suggestion of her brother she was committed to a psychiatric clinic and had to stay there for six weeks. She saw this as a terrible loss of autonomy due to the therapy being forced upon her. She does not want this to happen again and has sworn to herself to do everything to avoid it. She also felt that not even the psychiatrists and doctors in the clinic took her seriously.

K.'s son left secondary school without any qualifications in 2014 and enrolled in the army (Bundesheer).

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

⁴ Mini-jobs are excluded from social security: no contribution is necessary, but this means that the time does not contribute to the qualifying period for retirement payments as well.

Currently he is on duty at the Austrian border where thousands of refugees arrive every day. K. is worried about her son since he is barely twenty. The way she sees it, he has had insufficient training for this operation, especially since it is psychologically demanding.

The consequences of her problems for her son have placed a particular strain on her: *'You reproach yourself for not being competent as a mother. You don't expect something like this.'* Her parents are also concerned about K's situation and that of her son. Meanwhile K. has to look after her parents since both are in need of care, particularly her mother who suffers from progressive dementia. K. has made use of caregiver-leave several times during the last few years and will apply for another period shortly. Although she is happy to provide care for her parents, the absence of social recognition for care duties is stressful for her.

K. sees interaction with public institutions as largely unpleasant and not really helpful.

'(...) you will not be empowered by dealing with these institutions in my experience. There may be others who have fared better, but in my case, these encounters have always been like another kick in the shins.'

Her psychological problems have not been taken into account by the public job agency but rather dismissed by the simple proposal not to work full time.

'They are very insensitive, they are not bothered if you are suffering from severe psychological stress or not. I got no end of medical certificates from my doctor stating that she had been suffering from the rarest forms of depression, but the staff at the employment agency are just not bothered.'

She felt abandoned and assumes that the staff at the public job agency were as overwhelmed by her situation as she was since so many areas of concern – material survival, employment, health, family – had to be dealt with simultaneously.

'They send you round and round in circles, nobody is responsible for your case, you have to seek your own way in the end and stick at it with all public authorities. And you yourself need to carve out the deal which suits you best personally'

Looking back, she sees the economic crisis as a gradual process during which all certainties have begun to totter and her 'ideal world' has crumbled bit by bit:

'(...) politically, economically, from things that happened a long way away from me to my very own private problems. Naively, I never would have thought any of this possible. Everything that has rolled our way recently. That is both at the personal level and like the whole EU-crisis, the economy, the refugee issues. Never, ever would I have thought that my child would be keeping guard at the border calming down refugees.'

What has helped her to be up and about again, was a timeout of one month which she spent in India in 2014. She has old friends there who support her by reassuring her. Back in Salzburg she met P. an old school mate and became involved in the NGO 'Alliance for Jobs for Bestagers' (Bündnis Arbeit für Best-Ager, BABA). Together with the other members of this group she aims to improve the opportunities for older unemployed people and to develop ideas and strategies to this end. Not until then did she realise that she is not the only one in such a situation. This insight has helped her overcome the shame of her situation and restore her courage.

Her depression has not receded completely since she continues to be concerned about her material well-being on a monthly basis. However, currently things are brightening up for her.

3.2 Second biography⁵

'In 2008 the Lehman Brothers Collapse happened, and since then it's been going downhill.'

5 Many thanks to Anna Ramsebener for her excellent translation of the biography!

For 18 years, L. was employed in an international, mainly family-owned company in the cosmetics sector. As head of the outsourced division for telephone-marketing in two countries she had a well-paid and challenging position. After being a single mother for a couple of years, she met her current partner and gave birth to another child in 2007.

Starting at the end of the 1990s, the company lowered costs by outsourcing various departments in order to avoid closing branch offices in Austria. It was the company's general policy to close non-profitable branches.

The economic crisis hit her company from 2008 on: they lost customers and the sales declined due to shrinking demand. L. thinks the reason for losing customers is because cosmetics are considered as kind of 'luxury products', which people tend to save on first, moving from the company's medium price brand to low price brands.

As a consequence, the company followed an even stricter policy of lowering costs which lead to a noticeable deterioration of working conditions. For example, overtime during business trips was not compensated anymore and the standard of hotel accommodations was lowered. The annual objectives in terms of sales and contribution to profit that determined the variable part of her salary were set at unfeasible high levels. From 2007 onwards the variable part of her salary was not adjusted anymore, just the part complying with the collective agreement increased slightly. As a result, the overall increase of L.'s salary has been way below the inflation rate.

'If you had 60 hours overtime from business trips, they were not compensated anymore: it drains you of course.'

While in other departments sales and profit have been shrinking since 2008, L's department could still increase its profits until 2011. L. says that the crisis subtly crept into her team, because at first they were merely affected by the company's policy of lowering costs without having a breakdown in sales. Even in 2011 to 2013 when the sales were stagnating, they still managed to increase contribution to profits. Not until 2014 did the crisis hit her department, leading to a breakdown.

'In 2009 we increased our sales and then we still increased our contribution to profits by making brutal cost cuts - so in my department we increased profit despite decreasing sales. I say that the cost cuts were brutal because I was responsible for the external call-centre: I've been overseeing them for over 15 years, I knew all the employees and I knew that we had not increased their salaries for 15 years. In the end those employees who did not receive any pay raise in 15 years got nothing but more and more pressure.'

The sales call centre under her responsibility had already been outsourced to external service providers in 2001. Most of the call centre workers were employed as freelance employees, with the consequence that labour law and collective contracts did not apply to them. Consequently, it was possible to never raise their pay. The costs cuts lead to a steady increase of pressure to lower costs and work more. At the top management level so-called 'crisis managers' had the job to reduce the number of employees and raise the objectives in operational planning at the same time. This decreased the conditions for economic success and quality of working conditions further.

'(...) all this pressure without budget! I mean without any money you can't do much! It is like squeezing a lemon further and further. (...) I also earned less in the course of time due to the variable part of my salary. Not motivating at all: You have to work more and more every year, travel more, hassling and bustling, with more and more pressure (...)'

As an executive officer, L. was in a difficult position since she had not only to deal with the pressure herself but also put it on the call centre workers by raising the performance requirements and lowering costs at their expenses. Measures ranged from reducing trainings and further outsourcing to layoffs.

'There was even the idea to do the calls from the Ukraine or from Poland – the situation got more and more outrageous!'

Yet L. had to implement the policy she despised on her own team. However, she still tried to find a balanced solution for layoffs in contrast to the dominant practice in the company:

My last line manager was proud of firing colleagues ‘cost-effectively’ by instant dismissals. (...) Stabbing others in the back for saving 10,000 Euro at their expense – I couldn’t cope with this mentality in the company.’

This mentality is best caught in the following memory:

‘Did they get a bunch of flowers?’ was the internal jargon for layoffs because a well-recognised and dedicated senior executive got his instant dismissal shortly after the celebration of his 25 year anniversary in the company (with flowers).’

L. did not dare to resign since the situation on the labour market had deteriorated in the meantime.

I could have resigned any time over the years, yes that is true. But the situation on the labour market held me back. What actually kept me in this unhealthy position was the precarious situation on the labour market.’

Therefore, she continued working until she had developed a burnout at the end of 2014. After being on sick leave for eight weeks, L. was dismissed without notice – after 18 years of working for the company. A small error served as pretext for justifying the dismissal. However, the error had occurred six months earlier and caused only minor damage to the company. L. felt that this way of dealing with her was like a slap in the face. However, in retrospect L. is glad to have escaped the treadmill.

I really got pushed into it. Of course for me, 2015 was an utterly miserable year, but in the end I got out well. Sooner or later I would have had to do it anyway, to get out of there before I lost my mind.’

In the beginning, her state of health was very poor: L. was in a serious psychological crisis.

If you had seen me half a year ago ... my nerves were at breaking point. Half a year ago I would not have been able to apply for a new job. I could not have done it. I had exceeded the limit. This was the end. I didn’t want to do anything anymore. There was this big hole.’

L. got a lot of support and encouragement from a doctor, who focused on her individual situation, took time for her and brought her attention to an ambulant group therapy for burnout patients. L. went to group therapy sessions for six weeks and gained strength again from the structured activities, psychological aid and support from other patients.

I had a great doctor who supported me all the time. I saw her every three weeks (...), she was my tower of strength, this doctor. However, she was a Wahlärztin [in Austria: a doctor you can choose, who has no contract with the national health insurance] I think this contributed to the fact that she could take so much time for me.’

She tried to avoid getting in contact with public institutions like the job centre and health insurance institute as much as possible after having experienced bad situations:

‘She [her doctor] kind of sheltered me from the national health insurance [in Austria: Gebietskrankenkasse]. I mean, I could not get out of going to my appointments there. They do have sympathetic doctors, who are nice and give you advice, but then there are others (...), one brought me to tears twice.’

L. also heard a lot of bad experiences concerning the job centre (German acronym: PES) from group therapy colleagues: *‘Patients lost their job, went to the PES, and the PES finished them off.’*

Thanks to her partner who was still employed, L.’s layoff did not lead to drastic financial problems. However, her sick pay (60% of her prior pay) was not enough to keep up with her expenses. Consequently, she cancelled additional insurances and reduced her consumption expenditures. She used her savings to maintain the financial support for her daughter’s studies.

I also have a grown up daughter who goes to university. I always supported her financially, also at that time [the time of being unemployed], using my savings. That was also important for the quality of my life, for me as a mother. I mean, I brought my child so far, and then saying – so shortly before the end – no, I cannot pay you alimENTS anymore: this hurts. But nobody understands this. Everybody says that the girl is 23, she can work herself. Why do you finance her? I have to say: She is a working student, yes. But giving this support is important to me.’

L. was very concerned with keeping the consequences of her unemployment away from her children:

'Often, this is the most crucial point: making life easy for your children. You reduce yourself automatically.'

Aside from her occupational situation, the European Economic Crisis also had serious repercussions on another aspect of L.'s life. Due to the steady increase of prices for properties in Salzburg since 2009, L. and her husband have not yet been able to buy their own flat, as they had planned.

'Today I am still in a flat in which I don't want to live any longer. But it wasn't possible to find something adequate.'

L. experienced the rapid increase of prices for properties herself: A flat which she and her family nearly bought was more than 60% more expensive after three years:

'In 2008 we signed a contract for a flat, a new building for 340.000€. But then I got cold feet. I mean, we did have equity, but we would have had 200.000€ debts, so I wanted to get rid of the flat. Three years later it was bought for 550.000€, the same flat, sold by the person to whom we sold it. From 340.000 to 550.000, that's insane. 340.000 was already such a huge amount for me.'

Around 10 years ago, L. could have never foreseen the Economic Crisis with its impacts on her life:

'In 2007 I gave birth to my second child – at this time I could have never thought that this all would happen. In 2008 the Lehman Brothers Collapse happened, and since then it's been going downhill. I mean I never thought that I would stay forever at [her old work place]. I already used to be stressed back then. [But] I thought I could always easily get a new job, a better job. So I never thought that life would go this way.'

The most formative experience from this time was the ongoing loss of security and assurance on which L. has relied until then:

'I had the feeling that I was treading on very thin ice. As long as you've got a job, you've got everything. Everything's fine. But as soon as this falls away, you crack. This is terrible. Unless you have reserves, have inherited something – then it is fine too. But building up reserves has also gotten more and more difficult. I mean, when I look at my parents' life and compare it to mine ... they could buy a flat from scratch. This is something which my generation cannot do.'

Before L. was unemployed, many political and social problems barely caught her attention. Now, after having experienced it herself, she is aware of all these topics. L. sees the long-term effects of the Economic Crisis as quite negative, as now everyone is more self-responsible and there is less security. Also because of her age (L. is 44 years old) she cannot imagine herself physically enduring this intense (working) conditions:

'I couldn't have expected it [the crisis and consequently being unemployed]. Had it happened earlier - when I was younger - then I would have made provisions. When I was younger, and full of beans, I guess I would have tried extra hard to save more money.'

By now, her state of health has improved a lot. In order to prevent a relapse, she still regularly attends a burnout group. In spite of still increasing unemployment figures she found a job: since the beginning of 2016, she has been working for a governmental institution. She considers the working conditions (range of duties, volume of work, working hours and atmosphere in her team) to be very good. The only pitfall is her pay: in her new position she earns markedly less than in her previous job.

4. Analysis

As explained in Section 2 the findings have been discussed with participants at the fourth meeting. The discussion was organised in two parts: the first part was dedicated to discussing the impact of the crisis on the labour market in Austria, the second part focused on unemployment, search for employment and their social impact. The analysis follows the structure of this discussion and the participants' presentation of the problems. In view of the working assumptions of this research (see introduction) and its theoretical framework, it is geared towards answering the questions if and how the crisis has lowered the trust of citizens into institutions further and has led to further erosion of human rights and social disinvestment.

4.1 Which crisis?

As explained in Section 1 on the national context, Austria has not been hit as hard as other European countries by the financial crisis in 2007 and 2008. In consequence, 2008 has not been imprinted as the year of the crisis on people's memories. They rather experienced it as part of an ongoing process that started much earlier. While researchers determine the beginning of this process with the first austerity measures in 1987 (Hermann & Flecker 2015) participants refer to economic problems in the 1990ies. Austria's accession of the European Union has both mitigated some of the problems as well as created new pressures of adjusting to European standards. Participants further reflected on the dot-com collapse at the turn of the century and distinguish various more temporary crises such as the housing crisis, the banking crisis and bank bailouts, public debt crisis, the Greek crisis and the recent refugee-crisis. Despite this general perception of the financial crisis as only a step in an ongoing process, it is possible to trace the impact of the financial crisis on the course of life of participants.

For example, K. (Section 3.1) worked in a consultancy firm of her husband and links the bankruptcy of the firm to the decline of orders in the aftermaths of the crisis. Similarly, L. (Section 3.2) worked in one of the sectors hit directly by the financial crisis. She describes how the decline in orders for cosmetics has increased the pressure within the firm. Furthermore, two other participants have worked for temporary employment agencies. Temporary agency work has also been affected by the crisis: H. and M. have both been trained in mechanical art. Prior to the crisis temporary agency work was attractive insofar as it was well paid in order to account for the necessary flexibility. After 2008, however, the conditions worsened and wages decreased. For H. temporary agency work has been part of a downward spiral in employment. The first firm moved abroad so that he lost employment. In 2005 he found a new permanent position as a toolmaker matching his qualification, but this firm, too, went bankrupt. In this situation he found temporary agency work an attractive alternative: *'They did pay well because that was my profession even if it was less than I had before ...'* However, due to unclear arrangements between the temporary employment agency and the firms where he actually worked, there were gaps in employment:

'Once I started to work on Monday and on Tuesday my boss said he would not need me from the next day onwards ... In temporary agency work this means you are kicked out and need to register anew at the PES. ... Then the PES-clerk asked me: Why have you been laid off so soon?'

H. has never received a real note of dismissal since he has never been employed more than a year by a temporary employment agency. In 2011 he worked for a year in security business. Since 2012 he has worked as a temporary agency worker for several firms but never permanently. Recently he has taken up marginal employment in the security sector – and would appreciate the opportunity to do this full time.

Further effects of the crisis on the labour market as described on a general level in Section 1 appear on the individual level in the life stories of participants as well. Participants summarise the impact as follows: *'(Labour) life has come apart at the seams, but nobody strikes back.'*

In more detail L. notes that from 2002 to 2012 salaries have increased only in the fixed fraction resulting from collective bargaining. Before the variable fraction reflecting individual performance had been adjusted, too, and bonuses paid. Without any increase in the individual fraction of the salary real wages have stagnated. At the same time Z. and L. witnessed an increase in pressure concerning working time: employees have been laid off while the pressure on the others increased to work overtime without being paid. From the year 2000 onwards so-called 'all-inclusive contracts' have come into use that comprise a passage stating that there is no compensation for overtime work – neither in terms of leisure nor monetary payments.

Being in charge for call centres L. has seen how her company has shifted the risk to employees: After outsourcing the service to independently working call centres the employees were not offered permanent positions but forced to work as freelancers. The contracts with these freelancers do not foresee full social security benefits and rather cover only insurance for health, retirement payments and vacancy. Freelancers are not entitled to vacancy or unemployment benefits. The contracts follow the idea that freelancers are self-employed and hence have to take care of social security themselves even though the payments do not allow doing so. The effect is growing precarity (Kraemer 2009) and is the background of the struggle of social partners about flexibility and distribution of work among employees described in Section 1.1.

These developments on the labour market have been enhanced by the crisis. Although Hermann and Flecker (2015) claim that the financial crisis has quickly turned into a labour market crisis, the increase in unemployment has risen substantially since 2013. *'The fight for employment becomes harder. Applicants sell their labour below value and accept any wage.'* Participants thus agree in their analysis with the sociologist Burzan (2009) who states that unemployment has reached the mid of society.

Thinking about the effects of the current refugee crisis on the labour market, participants see both positive and negative effects: On the one hand refugees will eventually also search for jobs and increase competition on the labour market. On the other hand crisis demands an immediate response that creates a lot of jobs in the construction trade, in social work, teaching and training both in the public and private sector.

The financial crisis has had effects beyond the labour market as well. In particular, the rise in housing prices in Salzburg has gained momentum since 2008. Some of the participants have been affected either because they wanted to buy a flat - and refrained from doing so due to the prices (see Section 3.2) - or because they have been forced to move into cheaper housing in order to make ends meet (see Section 3.1).

'In this affluent city so many people live on the breadline for various reasons. It happens fast and there are so many ways of slipping off.'

Poverty has not increased in Austria after the crisis as displayed in statistics (Section 1.1), but at least in Salzburg poverty has become more visible in the course of the last 10 years with increasing numbers of beggars (Dines et al. 2015) and the flow of refugees that reached its preliminary peak in autumn 2015. The participants report that they have become more sensitive to social problems and their interest in politics has increased since they have become affected themselves. They are afraid of the future and fear for their pensions. Yet, they also care for the younger generation and are worried about their future without much prospects.

In sum, the financial crisis is perceived as part of an ongoing deterioration of conditions of life in general and a rise of competition on the labour market in particular. Individual capabilities are decreased in the course of this process.

4.2 Searching for employment

All participants of the group in Salzburg are aged 45 to 60 and have lost their jobs and are now looking for new employment. Hence, this experience is crucial for them and they have a lot to tell about their encounters with the Public Employment Service (PES) as well as about changes in the labour market.

PES is the most important public agency for unemployed people in Austria. It has a twofold function: On the one hand it is a public administrative body that implements the regulation concerning unemployment benefits. On the other hand it is meant to help unemployed to find a job similarly to an employment agency. The participants have mixed feelings about PES. H. characterises his experience: *'Treatment quality varies a great deal! If you behave well they let you alone. If not, they bully you.'* Some participants have received good advice, for instance G. got support in dealing with her health problems. Some characterise the PES clerks as competent and committed to their work who give valuable advice and sometimes have resigned themselves: *'I don't have a single job! Neither for younger nor for older persons.'* However, the participants also report about frequent changes of the person in charge. Thus they are forced to tell their story of life once and again. Sometimes the clerks are much younger than they are and do not know many rules. Hence, they all have been in the situation that instead of receiving advice they had to teach their advisors about e.g. care leave and wage/benefit protection for older unemployed⁶. Often participants had to ask specific questions in order to get the information they wanted. It is not clear if this disinformation is a political strategy of PES in order to stay within the budget or whether it is a genuine lack of knowledge of the particular clerks. In contrast the consequence of the varying quality in service is obvious: lacking or confusing information undermines legal security and violates the right to good governance of the European Charta of Rights.

The participants further would like to have a say in interaction with PES. For example, the unemployed have to sign a 'support agreement' ('Betreuungsplan') by PES. It is called an 'agreement' even though in fact, in many instances the PES-clerks unilaterally define the measures. The clerks tell their clients to sign the proposition else they would stop being entitled to benefits – although this is not true in the judicial sense. Information on the rights and duties of jobseekers vis-à-vis PES is not clearly - and sometimes even not accurately - communicated. By the same token the measures are often defined by the clerks without any explicit reasoning unless the clients vigorously demand to know why these measures are taken.

There is not much opportunity for giving substantive feedback with regard to the service quality of PES since quality management is done by help of questionnaires that do not offer the opportunity to insert comments and targeted feedback in a safe way.

All in all participants have got the feeling that they do not have a right to unemployment benefits but rather have to ask for charitable donations. This is humiliating insofar as they have contributed to social security. Furthermore, they see various practices of PES as a form of harassment such as e.g. having no choice concerning the numbers of hours of work. They are urged to apply for full-time positions and to skip all other activities they started during their unemployment if necessary. These **activities are an important part of their coping strategy**. Activities provide a pattern for the days and facilitate returning to the schedule of a working day (Jahoda, Lazarsfeld & Zeisel 2014; Bednarek-Gilland 2015). Yet, PES sees the wish to work part time and do further training as balking their placement service. Unemployed also have to notify PES in case of travelling across the border: They are not entitled to benefits for the days they spend abroad even though this is a frequent practice in Salzburg that is situated at the border to Germany. Hence, participants criticise the policies of PES as 'activation at all costs'. They argue for more focused approaches that provide individual support.

However, individual support is one of the big problems in Austrian social security assistance. The problem has been addressed in the literature (Fink 2015a) and by participants. For instance, there is no real one-stop shop (Fink 2015a: 11) as is illustrated by the case of K. (Section 3.1): She needed to see various agencies about her various problems – collecting the Guaranteed Minimum Income ('Mindestsicherung'), demanding the alimonies from her former husband, asking for help for the tuition fees for her son, finding smaller and cheaper accommodation, searching employment, applying for care allowances for her parents and elder care leave ... She did not receive any advice what to do first or how to coordinate the various needs. As Fink (2015a: 11) states the 'co-operation between the PES-offices and the welfare offices may at best be termed

⁶ Unemployment benefits are calculated in relation to the wage of their last job. In case of older unemployed this rule does not apply if the job they took up after a spell of unemployment is paid worse than the one before. In that case the same amount of benefits is paid as during this first spell of unemployment.

semi-formalised' so that K. had to visit both agencies and tell her story. Other participants point to the positive example of the old-age pension insurance agency ('Pensionsversicherungsanstalt' PVA) that offers case-management with an individual care scheme.

Many participants report positive experience with regard to health promotion: During her burnout L. (Section 3.2) was saved from seeing PES about her unemployment by her doctor. G. got good advice from the rehabilitation department of PES concerning her combined health and employment problems. A doctor pointed B. to the program 'fit2work' that is financed by various agencies - the pension insurance agency among others - and aims to counter health problems early on in order to maintain the employability of workers. B. had suffered a herniated disc in his back and was thus unable to continue working in his former job. 'fit2work' analysed his skills and interests and financed vocational training for B. However, some of the tests and analyses done for 'fit2work' had to be repeated for PES since they did not accept the results from the program at the beginning (spring 2013). In the meantime PES supports 'fit2work' and recommended it recently to another participant (who struggles with other difficulties, however).

PES also finances further training but the participants remain rather sceptical against their policies in this regard: Currently these policies undergo change due to the raising pressure by rising unemployment. Participants have the impression that PES now has a more targeted approach. PES does not urge their clients to do useless courses as has been the case before (see (orf.at 2015) on the new strategies of PES). Yet, participants have many stories to tell about their aspirations for further training and PES policies: They call standardised training courses 'useless' since clients are enrolled regardless of their previous knowledge about software or application procedures (Fink 2015a; Lechner & Wetzel 2015; Riesenfelder & Wetzel 2009). H. asked for more specialised training with regard to a specific software program used in inventory management, but did not get it although a firm promised to hire him afterwards. *'In PES I need years to get a training course!'*

Participants also report about age discrimination with regard to further training: 'This will only balk you!' a clerk said to one participant implicitly hinting at his conviction that the training would be in vain. Another participant was told to wait for two or three years. After such a long time of unemployment PES might be willing to finance further training for her. Unemployed are only given limited say in choosing training courses (Riesenfelder & Wetzel 2009). It remains to be seen whether the new strategy of PES concerning training courses has induced lasting changes.

In line with these experiences of the participants the Austrian ombudsman ('Volksanwaltschaft') for fundamental human rights registered an increase of 70% in complaints concerning PES in 2014 comparing to the preceding year. Hence, the low quality of PES service is acknowledged as a **violation of the rights to good administration and to an effective remedy and to a fair trial** as guaranteed by the Charter of Fundamental Rights of the European Union (Arts. 41, 47). Complaints mainly concerned the legitimacy of being assigned to training courses, the quality of measures and the competence of PES clerks (derStandard.at 2015). This increase in complaints happened in line with rising unemployment and hence can be seen as a consequence of the crisis.

While it is difficult to receive funding for training courses by PES, there is little recognition for further training by potential employers (Lechner and Wetzel 2015): Participants are assessed on the basis of their first professional training even though they graduated long ago (ca. 30 years). Professional re-orientation is difficult under these conditions. Even after completing a second vocational training, B. had trouble to find a position because of his age in combination with lacking experience in this branch of work. He had to work as an (unpaid) intern first in order to gain professional experience. Practitioners in the field know that his experience is by no means exceptional. Nowadays it is even difficult to find an internship so that professional re-orientation is almost impossible. Furthermore, working as an intern and receiving benefits is only possible if the internship is part of the professional training financed by PES – as had been the case with B.

'Privately owned job agencies do not know it better!' is the conclusion of a participant concerning private firms that compete with PES. For instance, the profile of the job seeker in their system is often inaccurate and incomplete. They forward only a short summary instead of the full application file to potential employers so that the job offers the clients receive do not match their profile.

In general participants have the impression that work life has changed a lot in the course of their career. While at the beginning of the 1990ies new employees were granted a long period of vocational adjustment (up to two years), employers now expect that new employees - temporary agency workers in particular - know what to do right from the beginning. This expectation exerts a lot of pressure on newcomers so that they make mistakes. It is an erroneous strategy to save time or money in this way. Saving time is the aim of rules for clocking in and out as well: There was no need to clock out for celebrating birthdays of co-workers or small coffee breaks in the past. Nowadays employees have to clock out at these occasions so that there is no informal exchange at the coffee table any more. In contrast to that one participant reports from her new job in the public administration that the old practices prevail: *'It is as it was in my old company 20 years ago!'*

A general trend participants see is that firms reify people and replace them as if they were mere tools. In this context the latest policy measure - a subsidy for employing older workers - has the effect of a subsidy for companies rather than for workers. Participants presume that companies will behave as free-riders: employing the older workers only for the time they receive the subsidy. Contrary to this presumption of the majority, one participant is confident that PES has to keep an eye to the budget and will grant the subsidy only to those firms they trust to behave in line with the objectives of the policy measure.

For better qualified jobs participants have observed delays in refilling vacant positions in order to comply with the strategy of cutting down the number of positions. Hence, unemployed need more time for the application procedures and are at risk of de-skilling at the same time. In addition, younger people are often preferred – be it that they can pay less because of their lack of professional experience, be it that companies aim at a high fluctuation and count on the inclination of younger workers to resign due to career ambitions or family building.

Despite their disadvantageous position as older job seekers, participants consider carefully what positions they are willing to accept. On the one hand they have often been caught in the treadmill long enough to have health issues. On the other hand they have started to do other work such as voluntary or care work. They have learned to appreciate this freedom and do not want to quit all these activities. Asked what they value most in life Z. wrote: *'Living my own life'* and another participant has phrased her desire for autonomy by wishing *'not to lose my dignity and visions!'*

In summary, the service of PES does not match the idea of good administration as laid down in the Charter of Fundamental Rights of the European Union. The right to an effective remedy and to a fair trial is violated insofar as the service quality varies with the person in charge. There is only minor investment in unemployed people (e.g. training courses). Furthermore, their own investment in their human capital is often undermined by active labour market policy regulations. In consequence their capabilities are diminished rather than enhanced by labour market administration.

4.3 More effects of the crisis and unemployment

4.3.1 Effects on social networks

'... the first question is not: How are you? But rather: What are you doing (for work)?' The question about professional occupation has taken centre stage in our time. Those who do not have an employment 'fall through the cracks': They have to explain and justify their status as unemployed. Friends do not know how to react if they tell them about their situation (Section 3.1). Supposedly, various factors contribute to changes in the social networks after becoming unemployed: Friends draw back because they do not know what to say or because it reminds them of their own vulnerability. They may also need to quit or change their prejudices on unemployed people if they know a particular unemployed person. The image of the 'benefits gravy train' (unemployed people do not do anything but enjoy their life at the cost of society) is hard to apply to personal acquaintances who have lost their jobs and are worn down. Anyway, the social networks of participants have changed a lot, but the friends who stayed are a major source of support.

Usually, family ties are stronger than friendships. However, the extent of support participants got from members of their families (spouses, siblings and parents) varies a great deal: Often the separation from their spouse is an aggravating factor in participants' life stories as K.'s biography illustrates. The partner of G. became estranged in the short period of a training course she did for a new job. The separation was the trigger to a deep personal crisis. B. has lost first his wife and then his father to death by cancer. He started psychotherapy in order to cope with these losses. That helped afterwards to cope with his health problems and the resulting difficulties searching for employment. Two participants relocated for living together with their partners. It is unclear whether it would have been easier to find a job in an environment they knew better. Anyway, some participants still have the same partners and have found a lot of support in them.

Some participants relate that their siblings helped in coping with their situation: K. (Section 3.1) was institutionalised by her brother for her own protection. Though she was appalled by the loss of autonomy and wants to avoid a second institutionalisation by all means, she appreciates that her brother later on gave her a job in his firm for some time. Similarly, G. had a lot of help by her brother who convinced her to get psychological treatment in a hospital and kept her from demanding too much from herself. In contrast to that, one participant has become estranged from her sister in the course of an inheritance battle after their mother died.

Parents also provide support – both mental as well as monetary – but they also need care if they get older. At least two participants have cared for their parents. In their accounts of this work they both report on the exhaustion caused by care work, the remorse if they entrust the care of their parent to someone else. Hence, it is difficult as well to take days off though taking a break is important for gathering strength for this work that may take a good while. Yet, the participants in this situation also do not want to miss a single day of this time with their parents. The relationship to their parents is good while not free from conflict. While K. had already been unemployed when her parents have become in need of care, F. needed to give up her self-employment in order to care for her parents. A first political response to the growing number of elderly in need of care is the right to elder care leave ('Pflegekarenz') introduced in January 2014. However, this has not induced much change since care work is still not recognised in society as an important and difficult kind of work. The two participants report that care work is not valued. For example it is not seen as a sufficient answer to the question noted at the beginning of this Section (*What are you doing?*). Care is not seen as taking the whole day or constituting a worthwhile contribution to society. When applying for elder care leave, participants found that PES does not know about this new regulation and firms do not accept the application.

In an interview the Austrian Minister for Education and Women Heinisch-Hosek pointed out that women still do most of the care work, not only with respect to the elderly but also concerning child care and other care work. The time women spend doing all this care work adds in the course of their life and keeps them from advancing in their jobs. As a consequence their pension entitlements are low. The biography of K. illustrates this detrimental interaction between professional and family life well.

In general, spouses, siblings and parents are expected to provide support while participants with children want to provide support for their children. It is especially distressing for them that they have to cut down their care and cannot do more due to their own difficulties. For example, for K. (Section 3.1) it is especially burdening to see that her son left school early in order to earn money instead of causing costs. Although less dramatically L. (Section 3.2) has been distressed by the prospect of having to cut down her financial support for her daughter who is studying. While she was out of work she used her reserves for this purpose. In contrast to her, O. has been a single mum in a precarious situation all the time: She did not get alimonies for her daughter, had three jobs and was self-employed as a nursery school teacher. When her daughter started studying in Germany, she was proud of her achievements but the situation has not changed much since they do not get any financial support and still have to scrape money together to make ends meet. M. reports that his daughter has successfully applied for a grant at a private school. He is very proud of her initiative that convinced the schoolboard to give her the grant. Yet, he is also conscious about his own inability to grant her such opportunities. Even though it is not a real failure in provision for their children, participants with children are sorry for being constraint in supporting them.

4.3.2 Effects on society

The effects of unemployment on social networks described above are part of a broader **loss of social recognition**. The response of friends and acquaintances are in line with social climate: Unemployment is not seen as a failure of politics, the economy and society on the whole but rather as individual incompetency. Z. characterises unemployment as *'living in stand-by mode'*. This mode takes its toll in terms of vigour and spirit. Autonomy and freedom of choice – the capability of people – is heavily constraint by the demand of being available for the labour market full time. In contrast to the German regulation (Hartz IV) unemployed people in Austria are not entitled to benefits if they leave the country. Austrian regulation demands to notify PES of being abroad each time and register again afterwards because benefits are not paid during this time (if both is done on the same day, at least they do not lose any benefits). Participants see this regulation as especially constraining their freedom of movement since in Salzburg people often go across the border to visit friends and family in Germany or for benefiting from the lower prices for some goods. Hence it is a **violation of the right to liberty and security** (European Union 2000, para. 6; Council of Europe 2010, para. 5) as well as **the respect for private and family life** (European Union 2000, para. 7; Council of Europe 2010, para. 8).

These constraints on autonomy, capability and rights lower the self-respect of the unemployed. They feel unfairly pressured to justify their wishes and practices. Further, they are sometimes ashamed for their situation - as K. has described so tellingly - when they meet old acquaintances and neighbours or when they become aware of their limited abilities to support their children. They cannot live a life they value and do not meet their own standards. But since society pictures their unemployment and the resulting constraints as individual failures, they have internalised this view - this blaming-the-victim culture- and have difficulties to point to the structural reasons for their situation. Thus, participants emphasise the importance of raising the public awareness of the lack of social recognition for unemployed persons and initiating a public debate on the individualisation of public risks. Their aim is to reveal the offending nature of this individualisation of risks and to place the responsibility for high unemployment back on politicians, the economy and society.

Participants further highlight that there are two sides of the coin as Z. says:

'I regard it as anti-social behaviour if someone regularly works 60 hours a week - working 20 hours unpaid overtime – because this keeps others from getting employed!' The downside of the high esteem for work and labour in the contemporary world is the increasing competition for the scarce "good" of employment.

4.3.3 Effects on the political climate

Some participants have always been interested in politics and social problems, but others report that becoming unemployed has raised their sensitivity in this regard (see Section 3). Yet, they think that apart from their increased awareness some real changes have happened: the growing visibility of poverty in Salzburg, growing inequality between rich and poor or employed and unemployed as well as the inflow of refugees that has reached a preliminary peak in 2015. L. asks: *'How can beggars from Rumania think of themselves as European citizens if they are treated worse than asylum seekers?'*

The drawing exercise in the first workshop has shown that participants distrust politicians and the political system. Participants have portrayed politics as a slimy wall and the political institutions as separated from the population (Figure 4.1). They view politics as a circus that exhibits vulnerable people in its ring (Figure 4.2) and are worried that politics engulfs society in the abyss. B. voices his opinion that some reforms are overdue (privileges of retired persons and senior civil servants ...). He thinks politicians have known since the 1990ies that they have to do something about it. Now payday has arrived ...

M. thinks that politicians do not know what to do about unemployment. In general participants regard social policy as not social at all. For example, instead of lifting minimum wage when the gap between minimum wage and guaranteed minimum income diminishes, politicians have lowered minimum income. At the same time they spent money on bailouts for banks. Participants are further offended by some pejorative remarks of politicians about unemployed people. Some yearns for politicians of the old school such as

Kreisky, Kirchschrager, Klima, and Pühringer. Participants find it difficult to respect politicians today. They do not do enough, need too much time or do the wrong things.

Figure 4.1 Drawing on the relationship to the government I



Figure 4.2 Drawing on the relationship to the government II



Participants concede that this impression may be partly caused by media. Newspapers and TV journals tend to give centre stage to bad news and convey the impression that the world changes to the worse. Further, participants think that media shifts attention from interior to exterior matters as for example in the refugee crisis. Thus they have played down internal Austrian matters such as growing unemployment.

Finally, participants have observed that age is seen as a positive characteristic in case of the candidates for presidency in Austria while it is seen as a negative characteristic in applications of normal workers. Four of the five candidates currently running for election as president are retired. They present their age as an indicator of their experience, independency and wisdom. No one raises doubts about this or makes the usual point that older people are less productive and not able to adjust to new circumstances.

4.3.4 Effects on health care arrangements

The health care system in Austria is characterised by making a sharp distinction between public health service patients and those who have a private health insurance (additionally or only). Public health service patients have to accept long waiting periods and do not receive all relevant information as the example of B. shows: He had to wait two months for magnetic resonance imaging since the number of examinations allotted to public health service patients was already exhausted. The doctor did not tell him about the opportunity of paying himself and getting an appointment immediately. He would have done so in order to receive the results as early as possible.

Unemployed persons often have to withdraw from their private health insurance contracts in order to save money. As a consequence they can only turn to a doctor under contract with the public health service. Their freedom of choice with regard to medical treatment is thus constraint.

In summary social networks are shrinking as a consequence of unemployment, but worse than that is the loss of social recognition and public opinion towards unemployed people. The widespread view that unemployed get on the benefits gravy train, are lazy and do not contribute to society in any important way hurts the feelings of the unemployed and undermines their self-esteem. At the same time participants report an increased sensitivity for politics and social problems.

4.4 Support and help

Several sources of support and help have already been mentioned in the preceding Sections: Family and friends have supported participants financially, morally and practically (Section 4.3.1). Medical practitioners and psychotherapists have helped them to cope not only with the health problems but with facing the administrative hurdles as well (Section 4.2).

Participants have further described their involvement in the grass root organisation ‘Alliance for Jobs for Best Ager’ (Bündnis für Arbeit für Best Ager) as an important source of support or even *‘as a kind of therapy’*. They discovered that they are not the only ones who have lost their jobs and have trouble to find a new one, indicating that it is not their individual failure but rather a structural problem particularly concerning older workers.

Overall participants view all opportunities for participation in society and all indicators of their social affiliation as helpful. Apart from the aforementioned social networks and health related support they also highlight the importance of membership in clubs and associations, participation in adult education classes and self-help groups. They also appreciate practical help by the ‘cultural passport’ (Kulturpass) that enables persons with low income to attend (some) cultural events free of charge.

To sum up participation in society is mainly ensured by agency, i.e. by being an active member of society. Employment constitutes one form of agency, but other activities constitute agency just as well. In conclusion it is most important to enable unemployed people becoming agents of their own well-being and countering the loss of social recognition – both on the individual as well as on the collective level.

5. Conclusion

This report aims at deepening understanding of how the financial crisis and austerity measures have impacted rights and capabilities of job seekers aged 45 or more years in Salzburg.

The qualitative, participatory research design is not suitable as a means to ‘validate’ or ‘prove’ hypotheses, but rather it provides an in-depth analysis by combining different types of knowledge in order to co-create new knowledge

The research is guided by the working assumption that the crisis and anti-crisis policies have contributed to the erosion of basic social rights and disinvestment in capabilities of individuals and groups in the EU. The research has shown that the participants of the group did **not perceive of ‘the crisis’ as a turning point** for Austria, but rather as another step in a slow process that has started already before the turn of the century. This corresponds to the findings of Fink (2015b) who explained that no large scale or structural changes in public services and social expenditure have taken place in the wake of the crisis.

The general impression of participants is that life in Austria has become more difficult. Regarding labour market integration they hold the view that older workers face multiple challenges that are not really acknowledged. They have the feeling that neither employers nor the state is investing comprehensively in older workers and that professional reorientation or further training is not well recognised and oftentimes only accessible against considerable resistance. Even if one manages to get re-training, it is very difficult or almost impossible to enter the labour market without prior professional experience in the field. The Public Employment Service (PES) focuses more on wage subsidies for firms than on qualification for re-integrating older workers into the labour market. Two participants have found a job in the public sector during the research phase though. However, both of them state that this could not be expected but rather was a matter of good luck.

The gradual increase in retirement age in combination with a very tight labour market and highly selective Active Labour Market measures lead to poor prospects for older workers in the job market. They often find themselves locked in over a longer period of time between unemployment, (temporary and often precarious) re-integration into the labour market and the prospect of retirement.

Their labour market related capabilities are being restricted by a **lack of public investment** (in high quality qualification and training), (hidden) age-discrimination and inadequate service quality of the public employment service. As a result of their status as ‘unemployed’ the participants have to adhere to a lot of **rules and obligations that restrict their choices** with negative effects on their non-work related capabilities.

The participants stress that they are not (any longer) willing to accept any job under any conditions, as they have a lot of experience with the **adverse effects of bad working conditions on their health and wellbeing**. The participants are well aware of the risk of cuts or temporary suspension of their benefits in case they act in a way, which the PES regards as ‘impediment to employment’. PES with its double function of providing employment services and monitoring entitlements to social benefits is regarded as not helpful by most and threatening by some participants. The latter try to keep as much distance as possible by displaying a cooperative but reserved attitude and complying with formal obligations. From the point of human rights and capabilities the pressure to accept bad or even harmful jobs after a certain period of being unemployed is ethically questionable. Accordingly participants demand a greater say regarding their professional development and job search in order to consider their talents, wishes and needs, less restrictive conditions for unemployment benefits and the right to refuse to take up bad quality jobs.

The second key working assumption of RE-InVEST is that the crisis and crisis-related policies have weakened social cohesion and trust in political institutions and social relations in general. The research process revealed that **the level of trust in political actors and institutions is indeed very low** among the participants. The attitude towards the Austrian government is partly ambivalent ('Could we or others do better?'), but mainly negative. They perceive political leaders as ignorant, incompetent and detached from ordinary citizens. The general sentiment is that we live in times of uncertainty, for which the current political leaders are ill equipped, as they seem to be clueless themselves.

The participants see the underlying causes of the current crisis phenomena in the gradual turn to neoliberal policies starting about three decades ago and perceive of present developments as another climax of this long-term trend. The strong influx of refugees since 2015 is referred to as another important factor that boosts feelings of insecurity and crisis.

These perceptions of the participants are in line with the Austrian-wide development of public opinion as revealed by Eurobarometer data from autumn 2015 (see 1.1.2): The trust in national and EU institutions is at an all time low level. (Europäische Kommission 2015) However, one can assume that additional to the economic crisis the 'refugee crisis' contributes to this result.

The participants feel that **inequality is on the rise**: between the rich and the poor, between private and public patients in the health care system, between those people who have a job and those who do not. Some criticise the one-sided focus on the losers at the bottom, instead of shedding light on those, who benefit from this polarisation. They emphasise that for the last two decades the discourse has been centred primarily on austerity: where to save and what to reform next, but they do not see any betterment and wonder who benefits from all these cuts ultimately. The bailouts for banks are perceived as unfair since they led to cuts in the social domain to reduce public debts. The participants feel that these savings are marginal compared to the damage affected people suffer from. Some express the opinion that the small proportion of people, who really do not want to work, is negligible: *'The state can afford to drag along those few.'*

At a micro-level participants see an **increase in competitive and divisive attitudes** as well as resignation on part of those who are unable to keep up. They feel that social security and recognition more and more are available only to those who manage to stay within the system of gainful employment – with no place for the disadvantaged. This reveals a contradiction between the still dominant reference to fulltime employment on the one hand and a labour market that offers less and less of this traditional standard employment on the other hand. They also address the unequal distribution of work and lack of solidarity among workers (e.g. they criticise regular voluntary unpaid overtime by employees while so many do not find work).

The individual social network of most participants is still strong although for some it has changed heavily due to the difficult situation of being unemployed.

The participants also agreed that the social climate has become increasingly rough and more polarised. In this context they mention the higher **visibility of poverty** in the public space of Salzburg due to the strong presence of beggars and street paper vendors from Eastern Europe. Some of the poverty-driven migrants who have come to Salzburg during the last years used to work in other EU countries (primarily in Southern Europe) before the crisis. They evoke ambivalent feelings of empathy, resentment and fear of social relegation amongst participants. Awareness of their own vulnerability and social inequality is high within the group. Some admit that this altered perception only emerged when they became unemployed themselves.

The stigmatising character of the public discourse about unemployed people discomfits participants because it gives rise to a **'culture of distrust'**. Current political reform proposals by certain parties, ministers and representatives of the influential Chamber of Commerce (Wirtschaftskammer) focus on tightening eligibility criteria and preventing misuse of social benefits. The discussions about creating stronger incentives for work is viewed as mockery, as the participants have made the experience that there is no or not enough work right now.

Participants feel that the pressure (on the part of the public discussion, in their circles of acquaintances and of course the PES) to take up 'any job, at any cost' is increasing. Unemployment is primarily defined as

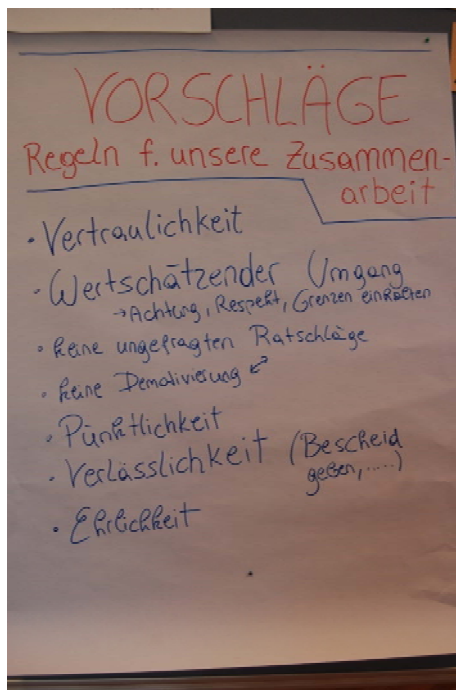
an individual failure, although they would define it essentially as a collective and structural failure – of politics, the economy and social structures.

Some contributions also relate to **crisis as a chance** for addressing the perceived need for comprehensive social, economic and political change.

This diagnosis of the damage of the crisis for certain vulnerable groups was the first step within the participatory research process. The findings from all participating countries will be presented in a synthesis report. The participatory research process in Austria is entering into a second phase starting in autumn 2016. In this second phase researchers, vulnerable people and experts will jointly analyse the features of (and recent changes to) Austrian Active Labour Market Policy and Social Security on the basis of the findings of the first phase. Special attention will be given to effects of institutions, regulations and measures on actual rights and capabilities of vulnerable people. This thematic focus corresponds well with the priorities of the Austrian group: the participants have identified labour market policy as the core issue regarding threats to their human rights and capabilities. The aim of the upcoming research is to reach conclusions on the state of Active Labour Market Policy in Austria and make concrete proposals for changes at country level and for the further development of the social dimension of the European Union.

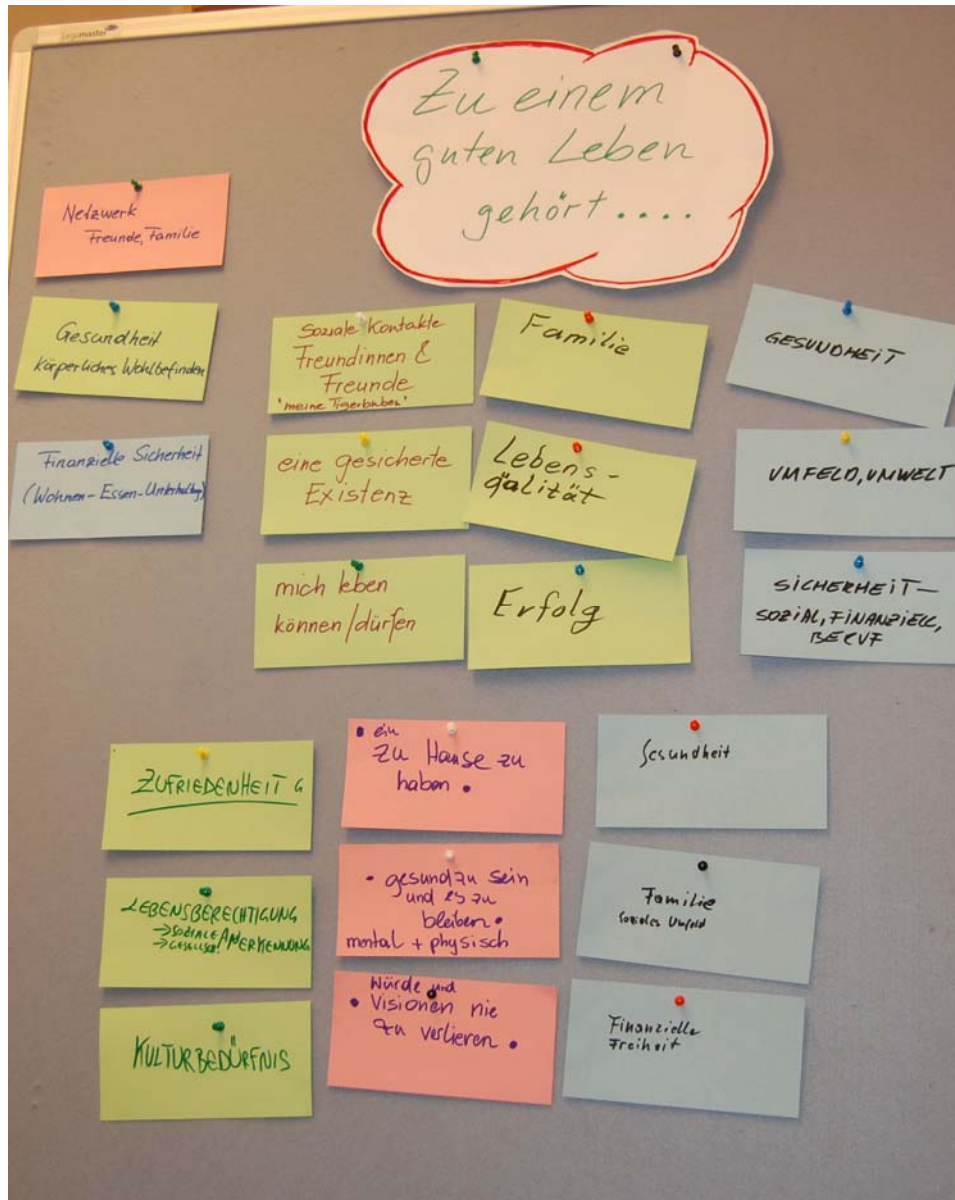
appendix 1 Rules of Conduct of the Group

Figure A1. Agreed rules of conduct



appendix 2 What constitutes a good life? List of elements

Figure A2. List of elements of a good life



Participants listed the following dimensions:

- Health (also a precondition for everything else), both mental and physical
- Family and friends, social network, social environment

- A home
- Financial and material security, financial freedom; job and social security
- Quality of life
- Human dignity, visionary power
- Cultural need
- Environment
- Satisfaction
- Right to live, social and societal recognition
- Opportunity to be oneself and live one's life
- Success (in what one is doing: job, partnership and so on)

In a second step, participants were asked to indicate their achievements and trends in their achievements in the following grid (referring to the human rights dimensions identified by (Burchardt and Vizard 2011b):

Figure A3. Capability grid

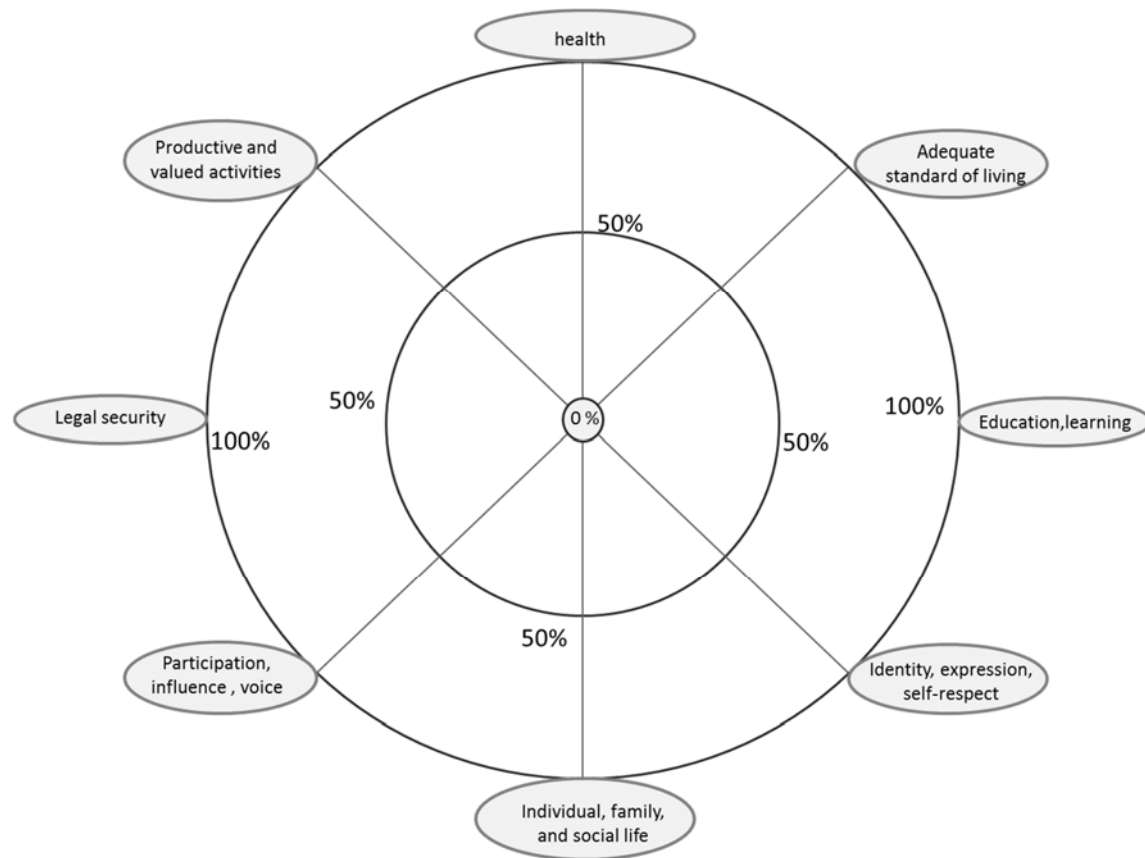


Figure A4. Perceived achievements in the dimensions of the good life



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