

*Themes: Crisis and Impact 7 Responses; Language: English; Country: Iceland; Year: 2011;
Event: ESN Spring Seminar (Budapest)*

Programme's name:	The welfare watch: an early national and local responses to the crisis
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<u>Summary:</u>	<p>Economic context of the crisis The 2008 financial crisis has had a major impact in Iceland:</p> <ul style="list-style-type: none"> • The three largest banks collapsed in early October 2008. • The national currency fell by 86 percent. • Inflation rose from 6 to 18 percent. • Unemployment rose from an average of 2 percent up to 8 percent, • Household debts became an even larger burden. • Downwards shift in the migration trend: +15,921 persons (years 2004-2009) / -8,373 persons (years 2009-2011) <p>Social consequences</p> <ul style="list-style-type: none"> • Increase of the number of benefit recipients: <ul style="list-style-type: none"> ▪ Financial benefits: +100 percent (130 percent among people aged 18-24) ▪ Housing benefits: +52 percent • Increased requests for social advice and psychological counselling • More complex cases for the Child Protection Department <p>Establishing the steering group 'Welfare Watch' Setting up of the steering group 'Welfare Watch' in February 2009 with 21 members from the Union of Local Authorities, Unions of Workers, Icelandic Red Cross, several ministries, Institute of Public Health, Directorate of Labour, and the Chairman of the Gender Equality. The mission of that steering group is:</p> <ul style="list-style-type: none"> • monitor the social and economic situations of households, • implement measures to support households, • maintain food services for school children, • define basic welfare and educational services, • draft guidelines to local authorities on budget reduction.

	<p>Additional national measures included</p> <ul style="list-style-type: none"> • Increase services to unemployed, offer temporary work opportunities and longer payment of unemployment benefits, • interventions to support households and companies in debt: advisory services, legal measures/funding. <p>Actions implemented at the local level A budgetary action plan was established based on:</p> <ul style="list-style-type: none"> • lower wages – by 3 to 10 percent, • employees and politicians co-decide on expenditure cuts, • welfare budget mostly safeguarded, • budget increases in selected areas: <ul style="list-style-type: none"> ▪ financial assistance and housing benefits, ▪ funding for employment projects, ▪ summer jobs for students, ▪ short-term jobs for unemployed, ▪ children's services. 												
<u>Issues:</u>	<ul style="list-style-type: none"> • The impact of the crisis caused major stress on public budgets, thus public authorities operated in a highly constrained environment. 												
<u>Resources:</u>	<table border="1"> <thead> <tr> <th></th> <th>2008</th> <th>2012</th> </tr> </thead> <tbody> <tr> <td>Budget</td> <td>IKR 7.7 billion (EUR 51 million)</td> <td>IKR 19.6 billion* (EUR 120 million)</td> </tr> <tr> <td>Staff employed (full-time)</td> <td>Around 900</td> <td>1,320</td> </tr> <tr> <td>Active cases** (average number)</td> <td>8,415</td> <td>13,500</td> </tr> </tbody> </table> <p>* Increase in the 2012 budget is explained by the increasing financial and housing benefits, but mostly by transfer of services from the state to the municipalities.</p> <p>** Includes social advise and counselling, financial assistance, housing benefits, home care and services to children with learning disabilities.</p>		2008	2012	Budget	IKR 7.7 billion (EUR 51 million)	IKR 19.6 billion* (EUR 120 million)	Staff employed (full-time)	Around 900	1,320	Active cases** (average number)	8,415	13,500
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<u>Objectives:</u>	<ul style="list-style-type: none"> • Limiting the negative impact of the crisis on population wellbeing • Developing emergency responses and services for different social groups in situations of crisis • Creating flexible employment solutions 												

<u>Outcomes:</u>	<ul style="list-style-type: none"> • Safeguarding the basic access to services in different sectors – social, health, employment, and education - for different social groups.
<u>Evaluation:</u>	n. a.