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Employment and Homelessness: A Challenge and an Opportunity

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FEANTSA is supported financially by the European Commission. The views expressed herein are those of the author(s) and the Commission is not responsible for any use that may be made of the information contained herein.

Winter 2007

HOMELESS *in Europe*



In 2007, the annual theme of **FEANTSA** was employment and homelessness. The title selected to bring together the work done in the course of the year was "Multiple Barriers, Multiple Solutions: Inclusion into and through employment for people who are homeless in Europe". This title aims both to capture the complexity of the issue and to highlight the fact that employment integration is both a challenge and an opportunity in relation to homelessness in Europe. Loss of employment is certainly a trigger factor in relation to homelessness; equally it is true that work can represent a path out of poverty and exclusion and that employment is important for the social cohesion of society as a whole. However, there was also a clear message from **FEANTSA's** members that there is a need to nuance the assumption and the approach that define work as *the* solution to poverty and homelessness. Access to employment is certainly a crucial issue for people who are homeless, but it has to be part of an overall holistic approach that takes account of the other complex and multiple needs that they have across a range of areas. Thus, a person's ability to find and maintain employment will depend on their housing and health situation, as well as on the skills and experience they have been able to acquire. Moreover, for people who may have had a long experience of the street and are dealing with multiple problems, mainstream or full-time work may never be an option.

The annual theme of **FEANTSA** sought to explore a range of areas. It tried to establish a clearer picture of the employment profiles of people who are homeless – many of whom are working in different forms of formal or informal employment. It drew a broad, European-wide picture of the different kinds of barriers that homeless people face when seeking to integrate into the labour market. A clear understanding of the various practical, administrative, personal or structural barriers, that people who are homeless are confronted with, is vital to overcoming them. It looked at employment policies and projects for people who are homeless in different European countries with a view to establishing which elements are key for a successful move towards work, as well as how best to measure this. It also discussed the role and function of interim or alternative work structures for people who are homeless who may not be in a position to work immediately in the mainstream labour market, but rather need a supportive and flexible working environment, where they can build employability.

The aim of this issue of the magazine is not to repeat the discussions and analysis that were part of the annual theme reporting and which are presented in the European Report.¹ Instead this collection of articles seeks to further explore some of the questions that were raised particularly at **FEANTSA's** European Conference in

Saragossa in October 2007 and to provide a more in-depth focus on those issues that **FEANTSA** members felt hadn't been sufficiently addressed in the course of the annual theme. However, in order to maintain a clear frame of reference in relation to the diverse themes addressed in this issue of the magazine, it opens with an article by Silke Paasche, policy officer for **FEANTSA**, which sets out the main key findings that emerged from the 2007 Annual theme.

The potential and the limitations of the social economy to provide opportunities for people who are homeless was an issue that **FEANTSA** members felt needed to be further explored. In his article, Piotr Olech from the Pomeranian Forum provides an overview of the development and understanding of social cooperatives in Poland, but warns against excessive optimism in relation to what such structures can achieve. Paolo Brusa from Italy tackles the tricky and elusive issue of the informal economy and the gateway to work that it may constitute for people struggling to get out of exclusion.

Henri Lourdelle from the European Confederation of Trade Unions offers his reflections on the role of trade unions in the struggle against social exclusion. He identifies access to social rights and a focus on quality of work as two key issues where they must be active and vigilant. Volker Busch Geertsema, **FEANTSA's** research correspondent in Germany offers an incisive analysis of the impact of the recent reforms of the employment benefit system in Germany on people who are homeless. Though the results have generally been negative, it is possible to identify where good and effective improvements could be made. Preben Brandt from Projekt Udenfor in Denmark makes the case for a much stronger focus on the health situation of people who are homeless as a barrier to employment and argues that, where it is not taken into account, efforts for employment integration cannot hope to succeed.

Maff Potts from the UK Dept of Communities and Local Government gives an overview of the programme to improve hostels in England "Places of Change" and the vital place that employment has within it. He highlights some successful projects that specifically focus on women and the needs and challenges they face. Finally, Antonio Rodríguez from Faciam in Spain highlights the Spanish experience as regards employment and homelessness and casts a critical eye over the priorities and challenges for the future.

As always, **FEANTSA** would like to extend its grateful thanks to all of the contributors to this edition of Homeless in Europe. Your comments and questions on this edition of the **FEANTSA** magazine are welcome: you can send them to dearbhal.murphy@feantsa.org.

¹ Annual Theme Report 2007 "Multiple Barriers, Multiple Solutions: Integration into and through Employment for People who are Homeless in Europe" available to download at: <http://www.feantsa.org/code/en/theme.asp?ID=36>



What employment policies do people who are homeless need?

Key findings of the FEANTSA Annual Theme 2007

By Silke Paasche, *Communications Officer and coordinator of the employment working group in FEANTSA*

The EU is committed to helping people who are furthest away from the labour market to find work and income. It is assumed that, with a job, people will reintegrate into normal life and contribute to the social cohesion and growth of European societies.¹

Despite this commitment at EU level regarding the employment of disadvantaged people, the reality for these groups at national and local level is often different. Indeed, in many countries the most excluded groups, such as people who are homeless, have very little chance of finding a job or engaging in training initiatives with the help of the existing mainstream support. Faced with multiple barriers to work and employment, the majority of people who are homeless are unemployed or economically inactive. If homeless people are working, they are often employed under precarious conditions; often in the informal economy.

FEANTSA felt that there was a need to better understand the close link between employment - or rather the lack of employment - and homelessness and decided to dedicate its annual theme in 2007 to the topic "Multiple barriers, multiple solutions: Inclusion into and through employment for people who are homeless in Europe".²

The key findings of the year have been drawn together in the FEANTSA Annual Report 2007³ which is based on national reports from 16 EU countries. The report provides an overview of barriers to employment for people who are homeless as well as effective ways of overcoming these obstacles for people who are homeless in the EU as a whole. This article takes up some of the main findings and recommendations of the report and discusses the possibility of using the European level for the exchange of good practice in the area of employment of people experiencing homelessness.

DEFINITION OF EMPLOYMENT

One difficulty that emerged during the year related to the definition of employment itself. Employment initiatives for disadvantaged groups in most countries are based on a concept that focuses on bringing people into a full-time job in the mainstream labour market. The mainstream labour market may indeed be a realistic option for some people experiencing homelessness. These people are usually better qualified than others and do not need a wide range of support in order to find their way back into working life. However, most people who are homeless have multiple needs and are not – or not yet – in a position to take up a job in the mainstream labour market. Instead, they require employment arrangements and training that are tailored to their individual needs and aspirations and thus more flexible in relation to issues such as working time, working environment, personal support etc. While in many countries, at least some forms of such employment opportunities exist for people who are homeless, the different services are usually not part of overall employment policies for disadvantaged groups. They are also not spread throughout the whole country and very much depend on the initiatives of individual homeless organisations.

In order to make employment policies effective for people who are homeless, they need to be based on a broader definition of employment. The International Labour Organisation itself refers in a recent paper on work opportunities for long-term unemployed in Germany (the so-called "One-Euro jobs") to a broad definition of employment. It argues that the essential criterion for employment is not a specific form of contract or remuneration but rather whether or not the person works for at least one hour a week and contributes to the production of goods and services.⁴

From a homelessness perspective, it seems suitable to adapt this broad definition of employment and highlight the potential positive impact of employment on people who are homeless. Employment is what improves the employability of people. Employment therefore includes occupational activities which develop the skills and competencies of a person and help the individual to connect with the labour market.

The difference regarding the definition of employment is very important in order to develop effective employment policies. While a narrow understanding of employment will lead to measures that purely focus on the mainstream labour market, an employability approach adapts measures to the specific needs and aspirations of a person and is therefore more likely to provide a sustainable solution for the person.

THE ROLE OF THE SOCIAL ECONOMY

In a number of countries, it is traditionally the social economy sector which offers supported employment and occupational activity schemes to disadvantaged groups, including people experiencing homelessness. For many people who are homeless, temporary employment in this sector can be a stepping stone into the mainstream labour market. Evidence from several European countries such as Italy and Belgium shows, however, that there are also limits to the social economy as an employer for people who are homeless. Many social economy employers engaging with people furthest away from the labour market tend to choose and stick to those with the fewest problems in order to fulfil obligations linked to their funding, such as increase in productivity.

The social economy will only be able to play its role in the employment of disadvantaged groups if there are incentives for employers to actually target those with the greatest difficulties in engaging in training or employment. For people who are not likely to find their way back into the mainstream labour market, the social economy should also be able to provide long-term employment solutions. At the same time employers should be encouraged to promote the transition into the mainstream labour market for those people who are ready to make it.

One possibility in order to foster the role of the social economy in the area of supported employment is to make sure that qualitative indicators are used to measure the outcomes of schemes. Many evaluations still focus on hard outcomes such as the number of peo-

ple who have moved on into the mainstream labour market. These should be complemented by indicators that are sensitive to the overall situation of an individual and therefore also take account of improvements regarding the health or housing situation of an individual.

SUSTAINING EMPLOYMENT

Flexible work arrangements for people with multiple needs should also not be the responsibility of the social economy sector alone. There is evidence from several countries that also private companies may be interested in employing people who are homeless or who have experienced homelessness. The transition from supported employment to a job in the mainstream labour market is, however, a particularly difficult step. There is a high risk that people fail to sustain their job in the long-term. To avoid high drop-out rates, in-work support is a crucial - though often undeveloped - support service. It means that a person receives ongoing personalised support such as help to open a bank account or to organise the transport to and from the new working place.

The provision of a wide range of personalised employment services requires the cooperation of all relevant stakeholders. What is more, sound and multi-annual funding systems are needed. Evidence from various EQUAL projects, for instance, have shown that where there was sufficient and flexible funding for employment initiatives for people with multiple needs available, the outcomes were much more positive than in schemes where this was not the case.

A EUROPEAN FORUM ON EMPLOYMENT

The FEANTSA Annual Theme on employment as well as other recent initiatives in the area, have revealed a lot of common ground for the development of effective employment policies for people experiencing homelessness in the European Union. Policy makers at European, national and local level should make use of this evidence and revise existing policies with a view to targeting them better for the most excluded groups, including people who are homeless.

At EU level the European Employment Strategy and recent initiatives in relation to the "active inclusion" of people furthest of the labour market can provide an effective framework for exchanging good practices amongst the different countries. What is more, the European Social Fund and possible future European Community Action Programmes such as "EQUAL" are important instruments in order to explore and test innovative approaches in this area.

As a follow-up of the Annual theme in 2007, FEANTSA will develop an employment forum in order to facilitate the exchange of expertise and practices. Like the recently created FEANTSA European Network of Homeless Health Workers (ENHW)⁵, the employment forum is addressed to all stakeholders in the area of employment for disadvantaged groups. It is aimed at employers and trade unions, social economy organisations as well as organisations working in related areas such as drug addiction and mental health.

Over the next months, FEANTSA will explore different possible formats for the employment forum. If you are interested in joining the employment forum or if you have any questions, please do not hesitate to contact the FEANTSA office at silke.paasche@feantsa.org. •

¹ In the Integrated Guidelines for Growth and Jobs 2005 -2008, the European Council calls on Member States to ensure inclusive labour markets and make work pay for job-seekers, including disadvantaged people, and the inactive. http://ec.europa.eu/growthandjobs/pdf/integrated_guidelines_en.pdf

² More information about the Annual Theme 2007 is available at: <http://www.feantsa.org/code/en/theme.asp?ID=36>

³ FEANTSA Annual Report 2007 on employment and homelessness: http://www.feantsa.org/files/Employment_annual_theme/Annual_theme_documents/European_Report/European_report_FEANTSA_employment_EN_2007.pdf

⁴ Hussmanns, Ralf: 'One euro jobs' and the ILO definition of employment. <http://www.fbw.hs-bremen.de/pschmidt/Material/Ilo-definition-1-euro-jobs.pdf>

⁵ More information about the ENHW at : <http://www.feantsa.org/code/en/pg.asp?Page=759>



Do people who are homeless need the social economy and how should it function?



By **Piotr Olech**, *Pomeranian Forum in Aid of Getting out of Homelessness*

"Work and do not feel unhappy because of it. Do not wish to be pitied or admired because of it."

Marcus Aurelius

HOW IS THE SOCIAL ECONOMY UNDERSTOOD IN POLAND?

In Poland it has been traditionally accepted that social economy means and is associated with social cooperatives and social employment. The functioning of social cooperatives has been regulated since 2006 by a special act. It enables people threatened with social exclusion (the act also embraces people who are currently homeless) to set up and run enterprises called social cooperatives. The enterprises conducting business activity can be established by a minimum of 5 people and a maximum of 50 people, who are threatened with social exclusion. "The object of the activity of a social cooperative is running a common enterprise on the basis of the personal work of its members.

A social cooperative works towards:

- 1) Social reintegration of its members, understood as activities aiming to revive and maintain skills to participate in the life of a local community and fulfil social roles in the places of work and residence;
- 2) Occupational reintegration of its members, understood as activities aiming to re-establish and maintain the capacity for independent employment on the labour market – and the activities are not performed within the business activity conducted by the social cooperative."¹

Social employment in Poland is regulated by a special act from 2003. It enables people threatened by social exclusion, including people who are homeless, to undertake 12-months of employment within the Centres for Social Integration, created for this purpose. Participants in job activation programmes get integration benefits through social employment. The aims of such social employment encompass both social reintegration and vocational reintegration. Social reintegration means "activities, including those of self-help character, aimed at re-establishing and maintaining in a given person (who is participating in the training in the Centre of Social Integration, a social integration club or employed by an employer),

the ability to take part in the life of a local community, to fulfil a social role in the work place, and to maintain a place of living and temporary accommodation". Job reintegration means "activities aimed at re-establishing and maintaining in a given person (who is participating in the training provided by the Centre of Social Integration and a social integration club) the ability to exist and work independently on the labour market."²

However, defining social economy solely from the perspective of the binding acts and legal regulations is distorting, as it does not offer a full understanding of the core of the notion. Obviously, social employment and social cooperatives perfectly fall within the remit of the term of "social economy", yet, they certainly do not exhaust its full scope. "The term of **social economy** is a broad one and it refers to many spheres of social life. However, in order to find a common denominator, it might be said that the key principle in this notion is the priority of activity for the sake of people (members, users) over the maximization of profits. It means that for social economy enterprises, what is crucial, apart from business targets, is the social mission. Social economy enterprises, meeting the needs of their members or users, often fulfil tasks which public or private business organisations fail to fulfil in an adequate fashion. Social economy based on the values of solidarity, participation and self-governance, plays a key role in social local development."³

Social enterprises may be called the **subjects** of social economy - they are the institutions conducting "business activity which sets definite social aims and which invests profit in accordance with those predefined aims, either in the activity or in its own community, rather than concentrating on achieving the maximum profit for the benefit of the shareholders or owners."⁴ They may have various forms, including e.g.: **social banks, mutual insurance, cooperatives, guarantee funds, social and civil enterprises, regional development**

Thanks to their openness and flexibility, social enterprises can adapt their activities to the multiple needs and problems of people who are homeless.

agencies, associations, foundations. They may be active in such areas as: social security, social services, health, banking services, insurance, agricultural production, consumer issues, associated work, crafts, housing, supplies, services for the society, training and education, culture, sports and entertainment.

DO PEOPLE WHO ARE HOMELESS IN POLAND NEED THE SOCIAL ECONOMY?

To answer such a question, one needs first of all define what kind of social economy is meant. It is obvious that there are many forms of activity performed by social economy enterprises which do not concern people who are homeless. Nevertheless, there are many social enterprises which are addressed towards people who are homeless in particular, e.g. in the form of supported employment, running social firms or cooperatives or participating and working in workshops. These latter seem to be a phenomenal solution. This is all the more so because of the fact that, thanks to their openness and flexibility, social enterprises can adapt their activities to the multiple needs and problems of people who are homeless.

People experiencing homelessness find themselves in a situation of extreme social exclusion. Access to employment on the mainstream labour market is hindered by many barriers both arising from, and independent of, the situation of people who are homeless. Among the most significant barriers of access to employment for people who are homeless are: **individual barriers** (psychological, social and health problems), **social barriers** (the stigma and stereotype of homelessness, discrimination), **systemic and institutional barriers** (housing problems, inadequate services for homeless people, shortage of job offers for homeless people, lack of information, inconsistency of social welfare policy) as well as **legal and administrative barriers** (bureaucracy, debts, loss of income from employment). All these barriers, individually or in combination, measurably decrease the potential and capacity of people who are homeless to undertake regular and legal employment. It should also be emphasized that sometimes the accumulation of many barriers may lead to permanent inability to undertake a job on the open labour market.

Therefore, in the context of such barriers, social economy and social enterprises operating within the social economy, have a chance to prove their worth. Let's leave aside the discussion as to what extent social enterprises should realize

business targets and to what extent these should be social targets. Creating friendly job places with due consideration given to the diverse and multiple needs of homeless people is a task which is the core of social economy. Hence, the offer from social enterprises may fill a gap in the sphere of efficient job activation of people who are "furthest from the labour market". Social enterprises may have a significant impact in terms of generating the feeling of participation, responsibility for one's own work and co-creation of a community. This is a place where people who are homeless may gradually increase their job qualifications and slowly but steadily rebuild their social and vocational activity. Social enterprises may also be a place where motivation to change is reinforced and supported, while at the same time involvement contributes to the feeling of belonging and self-fulfilment. They may also be places where a feeling of security is guaranteed, leaving a margin for making mistakes. Thus, it seems natural that social economy, and the activities undertaken within this field, should be a part of any social policy in the context of homelessness. It seems important to add here that the more diversified the offer addressed to people who are homeless within the sphere of employment, the better it is. It is good that people experiencing homelessness have a 'market of services' designed specially for them and where they are able to make their own selection and decide consciously what form of support they are most willing to use.

The experience of social enterprises bringing together people who are homeless or targeting their offer to them shows that social economy may be an efficient and vital tool for them to move towards independent living, not only in the sphere of work. However, there is still an open question as to what model and what form the services of social enterprises targeting people who are homeless should take.

The question may seem unimportant and of little interest, however it is fundamental to the issue of social and job integration of homeless people. To put it simply, there are two philosophies in relation to the social economy in the context of supporting homeless people. The first claims that the activity of social enterprises should be directed at restoring people who are homeless to the mainstream labour market and that social economy cannot be a substitute for the mainstream market with its valid rules and regulations. In consequence, the activity of social enterprises becomes a tool, a stage in the social and vocational activation of homeless



people. The critics of this approach to understanding social economy say that most homeless people will never reach the level of social skills enabling them to fully return to the main labour market and thus social economy should be treated as the core of social integration of the homeless. The second philosophy claims that the activity of social enterprises can be an employment goal for people who are homeless. Work in the social economy is thus an end in itself. Social economy understood from this perspective may fully substitute the mainstream labour market. The critics of such an approach claim that such a philosophy leads to a situation where homeless people are dependent on and 'addicted' to social enterprises. This leads to the creation of 'ghettoes of the excluded' functioning permanently under a 'protective umbrella', out of touch with the reality where everybody has to comply with certain rules and regulations.

It seems these philosophies are not necessarily in opposition. All activities aimed at increasing the employment chances of homeless people, both through the activity of social enterprises and other methods, should complement each other. It means that the offer should be broad enough for the activities and services to be mutually complementary and create a cohesive whole. At the same time, major attention should be paid to a thorough evaluation of the needs, resources and problems of the person who is homeless (personal audit). Such an evaluation, taking into account the sphere of vocational activity as well as social, psychological, housing, welfare and health issues, should be the starting point for initiating any activity. I personally know of many examples where skilled people, capable of entering and retaining employment on the open labour market, decided instead to work within social enterprises, thus, in a way, lowering their own aspirations and staying within the system and depending on its functioning for many years. On the other hand, I also know of many examples where despite objective difficulties, homeless people were 'forced' by institutions and organisations to undertake a job on the open labour market and due to their personal problems, lost the job after a few days or weeks. Such a situation generated only a feeling of guilt on the part of the homeless and frustration of the workers of the support institutions and organisations.

In conclusion, it is often the case that creating as many contacts and social relationships as possible outside the group of people who are homeless (e.g. by finding a job on the mainstream labour market) may have a crucial influ-

ence on the process of moving towards independent living. It is particularly vital in societies where there is a strongly negative stereotype of a homeless person and they experience widespread discrimination. Equally, however, for other people, staying within a community experiencing similar hardships and establishing and working for social enterprises may be an important temporary and intermediate step or indeed the final and highest possible level of employment and employment activation. The latter situation may be particularly the case for homeless people who have lived almost all their lives in groups and/or institutions (children's homes, prisons) and can hardly imagine their life outside of institutions. The offer from social economy structures may for them constitute realistic and measurable assistance moving gradually towards independent living.

CONCLUSIONS

The phenomenon of homelessness requires a multidimensional approach and so there is space for many solutions and initiatives. It might be said that there is an added value in diversity and choice and the social economy may perfectly adapt itself to this space. Many people experiencing homelessness need this type of support and the activity of social enterprises seems to be an indispensable element of modern social policy tackling the issue of employability of people who are homeless.

At present, social economy is a priority issue in Poland. There are many projects in this sphere, financed through the European Social Fund; there are also new legal regulations that have been put in place. Undoubtedly, it is a favourable situation since the problems of excluded people relatively seldom attract so much attention. Sometimes, however, it seems that in many European countries, including Poland, social economy and the activity of social enterprises have become a sort of a fixation; a golden key to solving all social problems. There are large and persuasive opinion-forming bodies who extremely efficiently and effectively promote social economy as a remedy to all the problems of the labour market. However, in my opinion, there are a variety of complex issues at play and thus critical and rational distance must be maintained and social economy should be viewed not only in terms of possible benefits, but also from the angle of possible threats and negative consequences. Excessive simplification of the reality and exaggerated optimism in reference to social economy may result in many failures and disappointments. •

¹ Social cooperatives act

² Social employment act

³ Dorota Pienkowska, PAFPIO - Social economy - basic information

⁴ Krzysztof Herbst, Points to "Expertise for strengthening Social Economy institutions"

What's informal about the informal economy?

By Paolo Brusa, *psychologist*

Prologue:

Before beginning some reflections on the informal economy, it might be relevant to start from a sort of logical prologue. Even if everyone talks about the "informal economy", many of them may not be basing their reflections on the same subject. Words have meanings. They are signifiers. Words talk, and it might be interesting to start our talk with words. Even if we surely all know what "reflection" means, many take part in the process with their own bias; and this fact can produce some distortions. Perhaps we can turn first to physics in order to help to define reflection.

Reflection is a physical domain, which may be defined as a "return" (or sending back) of someone or something when it meets a surface of discontinuity. It might be interesting to connect this mechanism of reflection with the issue under discussion. Thus we will take economy as an object, and place it in front of a surface of logical discontinuity. In a world where our homeless users/clients are usually considered to be living "behind the line", the aim is to investigate what lies around and behind economy, from the perspective of homelessness and social exclusion. Our goal is to put economy in front of a mirror, and see what reflection becomes visible. In this way, we propose a path out of the usual and prejudicial schemes. When we read about the big issues in the area of "economy", we can find ourselves trapped within liberal and neo-liberal analytical structures, or encounter proto-marxist or missionary and social interpretations. What is intended in the present article is to focus on this issue instead from a logical point of view. This consists of facing "economy" towards a surface of discontinuity from mainstream discussions. The goal is to highlight some boundaries in terms of what's on the mirror today: what if society and poverty stand on the same mirror? And what if we allow formal and informal economy onto the same mirror? Might they be reflected in each other? Which is the reflected image of which?

DEFINING CATEGORIES IN THE MIRROR.

The first thing to note, is that there are no common definitions of the informal economy at European level. During the preparatory work for the 2007 FEANTSA annual conference, the "employment working group" agreed some definitions which might be our starting point.

They are as follows:

- Mainstream labour market: when the interaction of workers and employers is regulated under the national labour law: workers are employed on the basis of their skills and compete with other workers without discrimination. (Social criteria may apply if an employer **chooses** to do so, e.g. in the context of its Corporate Social Responsibility scheme.)
- Alternative labour market ("informal economy"): when economic activities are not regulated under national labour law: employment on informal economy may involve illegal dealings, such as direct cash payments or the absence of a legal job contract. A person employed on the informal economy usually does not benefit from the same rights and benefits as a person employed in the mainstream labour market (eg. no pension rights, no health assurance, no paid vacation...)
- Social economy: businesses that are *not-for-personal-profit*; principles such as solidarity and participation are more important than a personal financial benefit. However, social enterprises may be competing with conventional businesses on the same market. Social enterprises may include: community owned businesses, cooperatives, associations, foundations, local self-help organisations engaged in trading activities with social, economic or environmental benefit...

The first thing that these definitions show is that employees in the informal economy may be considered victims of irregular working conditions, while those imposing such conditions have something to gain. Even the most recent document from the European Commission seems to favour this interpretation by talking about "undeclared work". The focus is therefore logically placed on the party who should declare it, which is normally the employer. The Commission defines the undeclared work as "any paid activities that are lawful as regards their nature but not declared to public authorities, taking into account differences in the regulatory system of Member States".

¹ Enforceable Right to Housing (Establishment) Act No. 2007-290 of 5 March 2007.



Still quoting this document, its introduction highlights the employer's responsibility above that of the employee, as it declares that "Both employers (and consumers) and employees (and the self-employed) may engage in undeclared work because of the potential gain – compared to the risk of being sanctioned – in avoiding taxes and social security contributions, social rights (minimum wage, employment protection legislation, leave entitlements) and the cost of complying with regulation (registration requirements, health and safety regulations)". In general, we can define informal economy as the set of all economic activities that fall outside the formal economy regulated by economic and legal institutions. It refers to the general market income category wherein certain types of income and the means of their generation are "unregulated by the institutions of society, in a legal and social environment in which similar activities are regulated". Before focusing on the reasons why such a situation exists, it is interesting to take a look at the scale of the phenomenon, first in general, then in more specific detail, taken from FEANTSA research.

DEFINING THE PHENOMENON

Statistics on the informal economy are unreliable by the very nature of what they seek to measure, yet they can provide a tentative picture of its scale and significance. The Commission document declares that "the extent and characteristics of undeclared work appeared to differ widely in the Member States, with highs of 20% of GDP or more in some southern and eastern European countries". Other sources claim that informal employment makes up 48% of non-agricultural employment in North Africa, 51% in Latin America, 65% in Asia, and 72% in sub-Saharan Africa. If agricultural employment is included, the percentages rise to above 90% in some countries like India and many sub-Saharan African countries. Estimates for developed countries are around 15%. World Bank data on informal economy shows a wide range moving from a maximum 67.3% in Georgia to a minimum of 3% for Canada, with a weighted average of about 33% worldwide. Still according to World Bank data, the European area data set ranges from maximum of 39.9% for Latvia to a minimum of 10.2% for Austria, with a weighted average of 23.89%.

As was mentioned previously, such data may be taken only as general guidance, as they are unreliable by their very nature. Moreover, as was highlighted in many of the FEANTSA reports, informal economy covers activities which are almost dynamic processes, including exchange, presence of informal regulation, and enforcement. To further confound attempts to define this process, informal economic activity is usually time-limited in nature. But what the reports also highlight is that informal economy is often the source of a significant part of homeless people's incomes. Before going further into this specific issue, another couple of clarifications are important.

The first is that, when referring here to homeless people and work in the informal economy, we refer to a definition of the informal economy that excludes certain activities including crime and domestic labour. Crime is not included because such acts have no regulated counterpart against which they may be evaluated, though of course, in some countries, legislation states that since informal activities escape regulation, they are by their nature considered criminal. The Commission document also highlights this issue as a related consequence: "in the case of undeclared work performed by individuals who are receiving benefits compensating their inactivity, there is also a dimension of social fraud". On another hand, domestic labour (such as childcare and cooking), aren't included when performed in the natural course of daily living and for one's own benefit. Such activities can easily be performed for others however and exchanged for goods and services with economic value; depending on broader conditions, these can be either formal or informal economic activities. However, when performed for personal benefit they have no external economic value and they cannot be exchanged.

In light of this framework, informal economy might be considered any exchange of goods or services involving an economic value in which the act escapes the regulations generally applicable to such acts. The second element of note is that when discussing homeless people in the informal economy, it might be interesting to take into account the implications regarding statistics and employment categories: given that they are not officially employed, they may figure as unemployed or inactive. This is quite important with regard to statistics, which in any case are not homogenous from country to country. One might be formally employed as a number, but still take part in the informal economy. This also means that for homeless people, particularly when public social welfare and support systems are weak or non-existent, the informal economy represents the most formal option to try and find a way out of social exclusion.

For homeless people, particularly when public social welfare and support systems are weak or non-existent, the informal economy represents the most formal option to try and find a way out of social exclusion.

A QUESTION OF PERCEPTION: INFORMAL VERSUS « UN-FORMAL ».

"Alice had learnt several things of this sort in her lessons in the schoolroom, and though this was not a very good opportunity for showing off her knowledge, as there was no one to listen to her, still it was good practice to say it over."

It is significant that the sub-group who participate in the informal economy is certainly not the weakest group among homeless people, nor is it the most excluded. This means we are discussing the "strongest of the weakest". Thus, much like for Alice in Wonderland, it is therefore a matter of perceptions, which are themselves bound to which side of the mirror we are looking through. Therefore, let's examine it from a few different angles.

From the point of view of the legislative framework, as we said before, informal economy might be considered as illegal in itself, and the incomes generated on it are thus also illicit. On the legal side of the mirror, we have the mainstream labour market for the included and the includable, and welfare policies of minimum income for the excluded. Still on the legal side, social economy claims to have operate according to a different ethos, as businesses are *not-for-personal-profit* and based on principles such as solidarity and participation. But the point is, that even if ethical principles are more important than financial benefit, the production is still tailored to be part of a business-like framework, in which profit talks. Laying aside the different definitions, it is clear that they are still located firmly on the side of the official economy and so in the end it is the mirror-glass language that they talk, and not that of the subject.

Our subject is the person experiencing a situation of social exclusion, which means he/she has been rejected from the "normal economy". Aside ever from the question of his/her own responsibility, the fact is that the person has been excluded: this means the mainstream economy vs. welfare system produces such results. What will the person do then? He/she might look for immediate reintegration, and if he/she is strong enough, he/she may well succeed using the available resources. What if the person is weaker? If he/she is too weak, the only resources are from social assistance. So when might someone turn to the informal economy? When the person is in between: if he/she is proud enough to want to find a solution on his/her own, then the most evident thing to do may be to attempt something "informal" on his/her own account. This is even more the case in those countries where the minimum income isn't sufficient, or where the threshold for accessing the welfare resources doesn't cover all the population living in social exclusion. At this point the most obvious choice is to look for some "informal" activities. At this stage, such activities are "informal" from the legal, formal, economic, official... and other points of view. But for the person this choice is not informal, it arises solely from need.

"UN-FORMAL" AS A CATEGORY OF NEED.

If these activities represent a need, they might be taken into account along with its consequences within an overall holistic approach. To define these activities as "un-formal" instead of informal is not only a language trick: it's the sign that we are taking account of the needs of the person. We should move from the individual perspective to take account of the need which leads to something "un-formal" if we want to offer a real policy of care. These activities exist as an un-formal resource, that the person in a situation of social exclusion may choose as a solution to his/her situation. It would seem to be time to differentiate the same activities into two different realms of signification: when we refer to the person in need, un-formal economy might be taken as a signifier of self-esteem and the capacity to struggle against the situation of exclusion. As such they might be welcome, and should be taken into particular consideration.

If we should keep the more common understanding of the informal economy, it should be for when we refer those taking advantages of its informal nature, offering work, activities and salary outside the legislative framework for the undeclared purpose of earning more money through tax-evasion. And this doesn't only mean the employers, as the Commission document also seems to imply some State responsibility when it says "however, with the average gross level staying around 40%, these reductions may still be unconvincing when given the option of undeclared work (notably in combination with benefits)...moreover, the effect of these reductions may be negated in the case of overtime work, which is subject to significantly higher taxation in many Member States".



The framework arising from the mirror seems to confirm the holistic approach, which differentiates and defines issues relating to economic exploitation; State responsibility in terms of welfare policies ("Member States are invited to give due attention to undeclared work when deciding on the pathways they intend to follow in implementing the common principles of flexicurity"); and also the "un-formal" search for a solution by people in need. While the debate on what constitutes formal, informal and un-formal will keep going, certainly Alice would agree with these people living a condition of social exclusion, people who may become our users and clients, saying: "If you don't know where you are going, any road will take you there". •

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¹ Behind the poverty line is the general wait-to-say to define the limit for the inclusion/exclusion process

² Definitions were set as a guidance for a Europe-wide report, available at: www.feantsa.org/code/en/theme.asp?ID=36

³ Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions, *Stepping up the fight against undeclared work*, Brussels, 24.10.2007, COM(2007) 628 final. The document is available at: http://ec.europa.eu/employment_social/news/2007/oct/undeclared_work_en.pdf

⁴ *Stepping up the fight against undeclared work*, Brussels, 24.10.2007 COM(2007) 628 final, p. 2, referring to previous document COM (98) 219

⁵ *Stepping up the fight against undeclared work*, COM(2007) 628 final, p. 2

⁶ Alejandro Portes and William Haller (2005). "The Informal Economy". N. Smelser and R. Swedberg (eds.) *Handbook of Economic Sociology*, 2nd edition, Russell Sage Foundation

⁷ *Stepping up the fight against undeclared work*, COM(2007) 628 final, p. 5, referring to *Undeclared work in an enlarged Union*, May 2004, http://ec.europa.eu/employment_social/incentive_measures/activities_en.htm.

⁸ Data taken from *Men and Women in the informal economy*, International Labour Organisation, 2002-2006

⁹ Data from World Bank (http://rru.worldbank.org/Documents/PapersLinks/informal_economy.pdf). Looking at the first 100 countries world wide, the European area countries are set the following order:

32 Latvia: 39.9%	63 Serbia: 29.1%	75 Spain: 22.6%	89 Denmark: 8.2%
41 Bulgaria: 36.9%	64 Greece: 28.6%	76 Portugal: 22.6%	90 Germany: 6.3%
51 Bosnia: 34.1%	66 Poland: 27.6%	82 Czech Rep: 19.1%	91 Ireland: 15.8%
55 Albania: 33.4%	67 Slovenia: 27.1%	83 Sweden: 19.1%	93 France: 15.3%
56 Croatia: 33.4%	68 Italy: 27%	84 Norway: 19.1%	97 Netherlands: 13%
58 Turkey: 32.1%	72 Hungary: 25.1%	85 Slovakia: 18.9%	99 UK: 12.6%
61 Lithuania: 30.3%	73 Belgium: 23.2%	88 Finland: 18.3%	100 Austria: 10.2%

¹⁰ Elaboration on World Bank data - http://rru.worldbank.org/Documents/PapersLinks/informal_economy.pdf

¹¹ *Stepping up the fight against undeclared work*, COM(2007) 628 final, p. 2

¹² The following definitions (to be taken as general guidance during its research) have been set by FEANTSA employment working group, where "inactive" means a person who is not officially registered as unemployed and does not participate in any kind of organised activity, neither remunerated nor unremunerated, on a regular basis. Unemployed is the person who is officially registered as unemployed but does not take part in any organised remunerated or unremunerated activity on a regular basis.

¹³ In some countries, one is considered employed if one works for a significant portion of the year although working for a part of the year may not be enough to ensure a decent standard of income or living.

¹⁴ Lewis Carroll, *Alice's Adventures in Wonderland*, 1865

¹⁵ Minimum Income provisions are social assistance schemes of last resort. Many European and international declarations, conventions and treaties have set out the human right to incomes at levels which respect people's human dignity and enable them to experience inclusion in the societies in which they live. Everyone in Europe has the right to a minimum income according to the standards. But Minimum income isn't available in all Eu countries...

¹⁶ Taken from FEANTSA definition: with social economy we refer to businesses that are *not-for-personal-profit* as for cooperatives, associations, foundations, community-owned-businesses; self-help organisations...; such experiences represent in many countries a possible resource for homeless people seeking reinsertion.

¹⁷ when it happens that in conventional businesses on the same market there is a competition between social enterprises and mainstream enterprises adopting Corporate Social Responsibility schemes, the different might become a light edge with risk of interpretations mistakes...

¹⁸ Here it's not significant the debate on the weight of "self-responsability", as the focus is on the factual situation of social exclusion.

¹⁹ We refer to life skills training, supported employment, agency for temporary work...

²⁰ We refer to activities such as vocational training, participation in meaningful occupation...

²¹ *Stepping up the fight against undeclared work*, COM(2007) 628 final, p. 6

²² *Stepping up the fight against undeclared work*, COM(2007) 628 final, p. 12

²³ Lewis Carroll, *Alice's Adventures in Wonderland*, 1865

A big challenge for European trade unions: to develop and secure fundamental social rights to give access to quality employment to all!

By Henri Lourdelle, *Social Protection Adviser, European Trade Union Confederation (ETUC)*

Without universal access to education, health, housing, culture, "decent" resources to quote the International Labour Organization (ILO), there is no real and/or sustainable access to employment which, like it or not, remains one way out of the social exclusion and/or poverty trap. That is why, even before the Open Method of Coordination (OMC) on social inclusion was brought in, the European Trade Union Confederation (ETUC) took up the fight against poverty and social exclusion. That is also why it started, and is still with the Platform of Social NGOs, battling in particular for:

- recognition of fundamental social rights in the European Treaty;
- social and health services to be taken out of the Services Directive and given a secure legal framework.

WORKING AND DEVELOPING SYNERGIES UPSTREAM TO SECURE EXERCISABLE FUNDAMENTAL SOCIAL RIGHTS

The European Trade Union Confederation (ETUC) believes that the fight against social exclusion and poverty will surely be won by struggling for better jobs, but at the same time by acting on causes that lie upstream of the job market, in other words health, housing, education, and so on. But the ETUC also knows that it cannot win this "battle" alone. This is why it has been working and acting in close cooperation for several years with Social NGOs, like EAPN, for example or FEANTSA (with which, some years ago, it joined with other partners in developing an IGLOO European project for the homeless which is still being run at the national level today by trade unions in conjunction with homeless action groups).

The fight for exercisable fundamental social rights - which are legally enforceable in Community primary legislation - is a big challenge. The problem is, how do you get a job or leave in-work poverty behind without access to initial training, in other words, education opportunities? In 2003, educational attainment was found to be a big discriminatory factor: 12% of Europeans with

a low level of basic education, but only 3% of those with a higher level of basic education, were "working poor". Again - how do you hold on to your job if you are constantly off work due to serious ill health? Or if you are homeless, or stuck in the outer suburbs far away from where you work in a place with poor public transport links? ... The list of examples could go on and on!

But having exercisable fundamental social rights also depends on having good quality social and health services that are affordable and geographically accessible by all, and are not under the sway of harsh market forces and competition. Because "market forces and competition" are another way of saying "selecting and excluding risks"! That is what is behind the ETUC's campaign for quality public services... And the successful demonstrations in Brussels, Strasbourg, and elsewhere to take social and health care services out of the Services Directive.

ACTING TOGETHER FOR BETTER JOBS

Action to get fundamental social rights is certainly needed, but it is not enough without action downstream to develop quality jobs. Access to employment has long been seen as a sure way out of poverty, not to say social exclusion. Sadly, that is no longer so!

Business is now contriving to reduce job security under the guise of competitiveness and globalization with the, often more explicit than implicit, blessing of national governments and even the European authorities - the Commission, Council, and Parliament. So, flexibility and adjusting to change have been used as excuses for developing a new concept - "flexicurity" - which in practice has resulted in less "protection" of social/employment rights and more job insecurity. Which is why we are seeing an increase in things like fixed-term contracts, temporary agency work, and non-voluntary part-time.

And also why we have a new and growing category of workers: the working poor. These are young and not-so-young women and men who have a job, but one which

does not give them a decent living and a way out of the social exclusion and/or poverty trap. There are 17 million of them in the European Union. And these poor workers do not all live in the European Union's newest members, but in all its countries. In 2005, 10% of workers in Spain and Italy were in-work poor...

Which is why the ETUC is fighting for:

- quality jobs, "decent" work to quote the ILO again, i.e., which matches workers' abilities and provides them with a decent living;
- guaranteed social/employment rights for those with no option but fixed-term contracts or part-time work, by getting the European employers to sign up to framework agreements on part-time and fixed-term contracts;
- life-long learning - which for some is a "second chance school" - by also getting the European social partners to sign up to a framework of action on the matter;
- a focus on those most out of touch with employment - which is also an issue in the European social partners' work programme 2006-2008...

ACT TOGETHER TO GIVE THE SOCIAL DIMENSION BACK ITS FULL PLACE AND SIGNIFICANCE

In conclusion, to deliver the Lisbon goal of eliminating poverty in the European Union by 2010 we must carry on working as a team, each in our areas of expertise and responsibility, so that the European blueprint is not whittled down to just a huge market, a "free trade area" but to give it (back) its social dimension. The European Union is not just about "goods, capital, and services", but about "people", too, who have the right to live a decent life and play a full part in building the "social" Europe that so many of us want. For that, there is a pressing need to reverse the current priorities in the shaping of Europe which put the main focus on its economic dimension often to the detriment of its social dimension. Europe will come to nothing if it is not social first and foremost! This - and only this - is what will get people to back and believe in Europe. •



The Hartz reforms in Germany – Are there any positive outcomes for people who are homeless?

By **Volker Busch-Geertsema**, *GISS (Association for Innovative Social Research and Social Planning), Bremen, Germany*

The Hartz reforms in Germany have been judged to be the most substantial social reform in Germany since World War II. A number of new measures were introduced through four different national Acts, called "Hartz I to Hartz IV". The most important step was the new social legislation on minimum benefits, which was enacted as "Hartz IV" in December 2003 and came into force on the first of January 2005. Essentially, the new "Part Two" of the German Social Code (*Sozialgesetzbuch II* or short *SGB II*) merged two types of benefits for long-term unemployed people (unemployment assistance, *Arbeitslosenhilfe*, and social assistance, *Sozialhilfe*). Since the first of January 2005, all people who have been unemployed for more than 12 months, and who are able to work for at least three hours a day, are entitled to the new subsistence benefit *Arbeitslosengeld II*, insofar as they are not able to procure their subsistence by other means. The new minimum benefit is strictly means-tested and the level is very similar to that of the former *Sozialhilfe*. This has meant that a large proportion of those previously entitled to the income-related *Arbeitslosenhilfe* have been faced with a substantial loss of income.¹ The reform, named after the chairman of a committee on "Modern Labour Market Services", Peter Hartz,² emphasised the principles of activation and workfare for long term unemployed people. Those in favour of the reform expected a substantial reduction of unemployment through the speeding up of the job placement process and through increased pressure on unemployed people to accept any job offer. A reduction of unemployment in Germany (at that time – in 2002 - about four million) by half (to under two million) in a three year period was even predicted.

However, it is clear that in the three years since the reform was put in place, the high expectations concerning the reduction of unemployment have not been met. On the contrary, registered unemployment in Germany rose to over five million in the immediate months after the new legislation came into force in 2005. It took until April 2007, and an economic boom arising mainly from external demand, for registered unemployment in Germany to sink back under 4 million (which was the level in 2002, when the Hartz Commission published its report). In the interim, numbers have further decreased, but a substantial proportion of long-term unemployed people and recipients of minimum benefits are excluded from the statistics. At the end of September 2007 the number of persons registered officially as unemployed in Germany was at 3.54 million. At the same time 4.96 million persons received *Arbeitslosengeld II* (most of them long term unemployed and all able to work) and a further 1.86 million household members got subsistence benefit under the same Act (*SGB II*) as dependants who are not fit to work. Accordingly the total amount of persons relying on the strictly means tested minimum benefit of "Hartz IV" in September 2007 was more than 7.1 million. In addition there were

around 950,000 short-term unemployed persons (usually unemployed for less than 12 months) in receipt of income related unemployment benefit as insurance payments. While the numbers of short term unemployed persons entitled to insurance payments has decreased substantially, especially since 2004 (it fell by more than half from 2.07 million in January 2005 to 949,000 in September 2007), the numbers of people relying on the minimum benefit under *SGB II* reflected little positive impact from the economic upswing in Germany. They increased from 6.12 million in January 2005 to more than 7 million in October 2005, and did not fall below this level again until September 2007 with peaks of more than 7.4 million in some months (from March to June in 2006 and in March 2007; Numbers from Federal Employment Agency). While it is true that stock numbers hide a considerable dynamic of people entering and leaving the benefit system, it is also true that a substantial proportion of those persons who were temporarily not registered as unemployed under *SGB II* (because – for example – they had a place in an employment scheme) were back after one year at most (according to the Federal Employment Agency, this is the case for more than half of those taking up a job). And at the end of 2006 half of all recipients had received *SGB II*-payments since January 2005 without any interruption (IAB 2007).

The implementation of the new legislation had serious administrative consequences. The tasks under the new Act are shared between the local branches of the Federal Employment Service Agency and the municipalities resp. districts.³ In most places⁴ so called "consortia" (*Arbeitsgemeinschaften* or *ARGEN*) were created. These are a new administrative body, in which personnel from the municipality and from the Federal Employment Service Agency work closely together in order to provide financial and social support in an integrated way under the new legislation. National government (via the Federal Employment Service Agency) is responsible for financing and administering the job placement process, for employment and training schemes and for living expenses provision for recipients under *SGB II*; while the municipal responsibilities under *SGB II* relate mainly to covering housing costs of recipients and to providing additional social support if needed. The whole process of administrative reorganisation, including the nation-wide introduction of an online data system was very ambitious and complicated and required a lot of resources. Very recently, in December 2007, the highest court in Germany (the Federal Constitutional Court) decided that the merging of municipal and national responsibilities in one administrative body at the local level (*ARGE*) is unconstitutional because it violates the principle of self-government of different levels of the state. The judges gave the Federal Government until the end of 2010 to reorganize the administration of the minimum benefit once again.

Redistribution of responsibilities in 2005 had also serious consequences for existing employment projects targeted towards particularly disadvantaged unemployed people. Prior to the reform, many municipalities had built up their own job schemes and some of the regional states had developed programmes to procure employment for people in receipt of *Sozialhilfe*, among them also special programmes for homeless people. But the reform gave full responsibility for the employment programmes to the Federal Employment Agency (fully under control of National Government). Consequently municipal and regional state employment programs were brought to an end even before the new legislation came into force. It took some time to reintroduce new employment schemes under control of the Federal Employment Agency to support those with least chance of accessing to the regular labour market. Contrary to what was announced before the reform was implemented, the range of employment measures for those living in poverty did not increase but rather decreased. Some of the "better" job schemes, which enabled unemployed people to get a job contract with full workers rights and regular wages for one or even two years, where almost completely discontinued and job qualification schemes were reduced considerably.

Today the predominant job offer for recipients of SGB II-benefits under such programmes is short term (6-12 months). It explicitly excludes those employed from coverage by general employment regulations and instead of a wage, recipients only get a small additional allowance (1-2 Euros per hour) to add to their subsistence benefit. The common expression for this type of jobs in Germany therefore is "One-Euro-Jobs". Chances for getting access to regular employment after serving in such an employment scheme are extremely poor.

However, many long-term unemployed people – without other alternatives to earn some extra money – have been keen to get at least a "One-Euro-Job". NGO's, some of whom have criticized the new schemes as being inadequate and even as constituting "forced labour" (because of the heavy sanctions for refusal to take up an "offer"), have nevertheless almost all taken part in the implementation of the new scheme. Thus many are now employers for hundreds of thousands of "One-Euro-Jobbers". In 2006, more than 740,000 recipients of *Arbeitslosengeld II* were occupied in such a job. Recipients who occupy a place in an employment scheme or in a training course are not counted as unemployed during this time.

The majority of homeless people are unemployed, in need, fit enough to work at least 3 hours a day and therefore eligible for benefits under *SGB II*. However, a change of legislation in 2007 excluded those residing in so-called "stationary" institutions (including hostels for homeless people with full board and close supervision of their clients) from any entitlement under *SGB II*. They can get financial and social support under another Act (for which full responsibility lies with local authorities), but are excluded from all measures organized by the Federal Employment Agency. There are considerable regional disparities in the interpretation of this legislation by the authorities and about which homeless institutions are defined as "stationary" (thereby excluding their residents from *SGB II* benefits). Altogether it can be taken for granted that the great majority of homeless people in Germany are in fact entitled to *SGB II* benefits.

Service providers for homeless people have varying views on the changes ensuring from the Hartz reforms.⁵ There was rather unanimous criticism of the harsh sanctions under the new legislation which increase the risks of becoming homeless and which can make it more difficult for people who are homeless to make their way back to regular housing. Still, some service providers also saw potential in the greater emphasis in the new law on activating their clients and including them in a stricter case management approach. Often it was rather difficult to achieve consensus between service providers and case managers of the ARGE about how best to cooperate in support of the client. However, in some cities, NGO service providers even assume the case management for homeless people on behalf of the local ARGE. A number of homeless services have created places for "One Euro Jobs" and see this as a chance to offer homeless people employment tailored to their needs. Others deplored the destruction of well established and targeted employment services for people who are homeless through the redistribution of responsibilities and saw their clients find themselves again among those most disadvantaged and least served among the long term unemployed.

After implementing the new legislation with increased attempts to "activate" long-term unemployed people, many protagonists of the new measures were forced to recognize that, in a leading export nation such as Germany, the reduction of unemployment depends to a much greater extent on international economic development and external demand, than on administrative measures to speed up job placement and to activate the unemployed. Studies have shown that even among participants in "One Euro Jobs" schemes, motivation is rather high and many participants were highly frustrated about the short duration of their involvement in such schemes and about the low prospects for access to the regular labour market they offered. There is increasing criticism concerning unclear criteria for the allocation of One Euro Jobs and about the fact that even this measure, originally meant as a last resort where no alternative offer of employment or training could be made, seems not to be well applied to the most marginalized groups. Migrants and long-term unemployed persons with low or no qualifications are actually underrepresented (Wiedemeyer/Diemer 2007).

Increasingly it has been recognized that a considerable proportion of the long term unemployed, especially those without formal qualifications will continue to be excluded from this market and that other measures are needed to offer these persons a long term perspective for employment and meaningful occupation, and furthermore that this has to be publicly subsidized. A recent step in this direction is a new section (16a) introduced into the *SGB II* late in 2007. This allows jobs with regular payment to be subsidised over a longer period (two years with the option of prolonging the duration of subsidies further) for people with more than two serious barriers against regular employment and very bad job prospects. Many homeless people could well fit the definition of the target group of the new measure. However, only 75 per cent of wage costs will be subsidized so that the persons employed have to be productive to a certain extent. It remains to be seen, if new (and some of the older) approaches will create better results for the long term unemployed in general and especially for those who are also faced with exclusion from regular housing. •



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¹ A recent study of Deutsches Institut für Wirtschaftsforschung showed that more than half of the persons in households, who were in receipt of *Arbeitslosenhilfe* or *Sozialhilfe* before the reform had a lower income under the new regulations. The proportion of benefit recipients who are defined as poor according to international standards has grown from about half to two thirds (see DIW 2007: 753 ff.). 11 per cent of those formerly in receipt of *Arbeitslosenhilfe* lost any entitlement to subsistence benefit through the reform (Wagner 2007, Bruckmeier/Schnitzlein 2007), mainly because they were referred to live from their partners income (women dominated among those who lost their entitlement). All in all it can be argued that – applying the commonly used welfare regime typology of Esping Anderson (1990) – the Hartz-reforms in Germany were part of a more general and substantial move away from its traditional emphasis on earnings-related systems of social security, designed to maintain social status and living standards, towards an extension of means-tested minimal income aimed at the protection from (extreme) poverty. In other words, the German system of social protection is moving away from a corporatist/conservative welfare regime and is being – at least in part – replaced by minimal protection more typical of the Anglo-Saxon liberal welfare regime (Busch-Geertsema 2004).

² At the time Hartz was the personnel director of Volkswagen and of very high prestige. But in 2005 he had to quit this job because he was involved in a large scandal, involving prostitutes and bribery of leading members of the works council. In 2007 he admitted to be guilty in 44 charges before court and was sentenced to two years of prison and a fine.

³ Exceptions are restricted to 69 local authorities (most of them in rural districts) all over Germany, which have taken full responsibility for all tasks. The maximum number was regulated by a specific "Option Act" as a compromise between government (which originally had planned that the Federal Employment Service Agency would take over full responsibility for all tasks of SGB II) and the opposition (which had preferred to give full responsibility for all tasks to municipalities or districts).

⁴ Such consortia were founded in more than 350 of the 439 municipalities and districts existing in Germany

⁵ For the following see Busch-Geertsema / Evers 2007, Satorius 2006, Szynka 2006

Employment, Homelessness and Health

By Preben Brandt, *projekt UDENFOR*



In recent years, Denmark has seen record low unemployment rates. So low even, that companies have complained that they are unable to find employees to fill vacant job positions. In 2002 this prompted the Danish Government, supported by a large majority, to pass an employment policy reform entitled "More People in Jobs". Among other things, efforts to see more people in jobs were to be built on a more coherent employment policy in which the individual was the focus of attention. Thus the focus of employment policy was to be the preparation and the motivation of the individual to seek and achieve employment on the regular labour market. It had to pay to work, and all unemployed people were to be effectively available to the labour market. At the same time, the slogan "You can if you will" was created and the Danish Minister for Employment was eager to mention that there were jobs for all who wanted to work.

It is within this context that an increasing effort to help homeless people in Denmark should be seen. It is of course appropriate, insofar as I agree with most people that it is reasonable that we each procure our income through working and that working can help to create meaning in our lives, which leads to acknowledgement and fulfilment. Yet, however right these points of view may be, this line of thinking may also express a down-playing of solidarity and responsibility towards those who cannot get by on their own. In this way, it can provide a breeding ground for the position which still often advanced in Denmark: that inequality is beneficial because it furthers societal dynamics and prompts the individual to fight to become a winner, instead of passively accepting the role of loser.

I cannot help but consider this view within the context of both our own national effort to organise job creation programmes for marginalised groups, including homeless people, and the same efforts in other European countries (as presented in FEANTSA's European report from 2007 "Multiple Barriers, multiple solutions: Inclusion into and through employment for people who are homeless"). And with this in mind, I question whether we pay sufficient attention to barriers, not least the barrier which is raised by the unequal health conditions con-

nected to socio-economic inequalities. Are we solving these fundamental problems and creating inclusion with job creation programmes? Or are we lending weight to the conception that homelessness is the problem, or even the fault, of the individual?

The first counting and survey of homelessness in Denmark was carried out in week 6 of 2007. In total, 5,253 homeless people were counted (0.1 % of the population), corresponding to 10,000-15,000 homeless people annually. Of these people approximately 10% had an income from employment, 55% were living off cash benefits, 25% had a voluntary early retirement pension and 5% had no income at all. In comparison, 2% of population as a whole were living off cash benefits and 5% were on voluntary early retirement pension. One might ask, in relation to the Danish debate mentioned above, whether, in a country with virtually no unemployment and companies desperate for manpower, the large number of homeless people who are outside the labour market therefore reflects an extremely high number of work-shy and indolent people among people who are homeless and other socially marginalised groups, who just want to passively receive?

As shown in the report "Multiple barriers, multiple solutions: Inclusion into and through employment for people who are homeless" several barriers exist between homeless people and the labour market. Without wishing to prioritise or speak of causal connections, I will single out health conditions as a considerable barrier in Denmark, and one with potentially catastrophic implications if not addressed. Homeless people in Denmark have basically the same health problems as people who are homeless in other European countries. Some 30 % have a mental illness, 25 % have a physical illness and 69 % abuse of one or more substances. Even though the figures overlap, they still reflect the fact that only a few per cent will escape either a mental illness, a physical illness, a form of substance abuse or a combination. A Danish survey has revealed that, on average, a medically examined homeless person had 6.5 somatic (physical health) diagnoses and 1.7 psychiatric ones. Added to this were 5.5 diagnoses per person related to abuse.



Surveys of health and sickness rates among marginalised groups, including homeless people, tell us that some of the physical and mental illnesses are complications caused by abuse, but they also reveal that other illnesses occur more often among homeless people than in the remaining population. This especially applies to respiratory problems, strokes, chronic obstructive pulmonary disease, tuberculosis, infectious diseases, arthritis and other musculoskeletal diseases. Also dental problems are overrepresented among people who are homeless. 50% of this group report experiencing chronic dental pain and on average they have lost 39% of their teeth.

Research has long shown us the importance of our diet in the development of the chronic illnesses like cardiovascular diseases, type 2 diabetes, cancer and musculoskeletal diseases (including osteoporosis). 4 % of all deaths are related to an excess consumption of saturated fats, and the same percentage applies to an insufficient consumption of fruit and vegetables. A Danish survey has recorded the dietary habits of marginalised and homeless people based on interviews. Compared to the general population, consumption of salad or uncooked vegetables and fruit is low among people with a problematic alcohol abuse and people with a poor social network.

Finally, we are aware of the importance of relations with other people: the social network. For one thing, people with a strong social network are less likely to fall ill and for another, they recover more quickly and have a lower risk of dying prematurely if they do fall ill. Also, we know that the occurrence of people who can expect no help from others is 4-5 times higher among people who are socially marginalised than among those who are not. It is hardly surprising then that a 10-year survey of the death

rate among homeless people in Copenhagen reveals a mortality rate for homeless people 4 times higher than that of the Danish population in general.

The health inequalities which this article describes should be considered in light of the fact that all forms of health service (with the exception of dental services) are available on a free and unrestricted basis. The existence of such inequality in Denmark may seem startling in itself, but it is all the more so when one realises that the inequalities in the area of health correspond exactly to those related to poverty and socio-economic inequality generally. However, the very low rate of social inequality in Denmark means that the conditions and correlations must be far more complicated than they appear on the surface.

Even though it is logical to see ill health as a barrier to providing for oneself through work, and therefore also as a barrier to establishing a new identity and a better life for someone who is homeless, this is not the whole truth. Poverty, a troubled upbringing, ill-health, lack of education, no place to live and unemployment are all factors that are woven into a thread which cannot simply be unravelled and in which there is no clear and simple correlation between cause and effect.

It is not a bad thing in itself to secure the possibility for people who are homeless of working in regular work places, or in special job creation programmes, just as it is not a bad thing to set up health programmes which secure homeless people better health service conditions. There is, however, much that indicates that these measures are stop-gap solutions which do not bring about real change, especially not for those people who are homeless carrying the heaviest burdens. •

People with a strong social network are less likely to fall ill and they recover more quickly and have a lower risk of dying prematurely if they do fall ill.



Places of Change

How the programme to improve hostels in England is focusing on Work and has some interesting projects for women.

By **Maff Potts**, *Specialist Adviser and Programme Manager of "Places of Change" in the Housing Strategy and Support Directorate of the Department of Communities and Local Government*

At the recent FEANTSA conference in Saragossa many delegates made cogent and compelling arguments that by influencing policy makers and embarking on important research they could finally get the legislation they needed to resolve homelessness in their countries. I saw a problem with that. Legislation is not the answer. In the UK we have two acts of parliament to tackle homelessness. We also have a welfare state with the useful benefits system to support those seeking jobs and paying their rent and to give them free advice and so on. Yet homelessness and worklessness remain. In Poland, where none of these things exist on the statute book, their solution for homeless people is to find work. Work is the first port of call. An international movement such as Emmaus, born in France, is committed to the central idea that every 'companion' living in an Emmaus community rises in the morning and goes to work for that community. Each day they are learning a new skill and getting on the job experience - driving the van, restoring the discarded furniture, selling it in a shop, cooking in the adjoining café and so on. And do they do this because of government legislation? No, Emmaus communities work on the principal that they do not ultimately need statutory income at all because they make their own money. So maybe we've got it wrong in the UK? Well no, the legislation is a powerful tool to get the horse to the water. But to make it drink?

The point I'm clumsily trying to make is that "work" is a state of mind not something to be enforced, it's a culture issue. That is why the "Places of Change" programme, which rebuilds centres for homeless people in England, has used capital funding as a lever to change the way people think and the way they deliver services to homeless people. Everything from the design of the building to the activities going on to the attitude of the staff should say "you are moving on with your life".

PLACES OF CHANGE: THE PROGRAMME

Tony Blair's target to reduce people sleeping rough by two-thirds was met in 2001 but the government recognised that many were moving into hostels which were no longer fit for purpose. Since then CLG - (Dept for) Communities and Local Government - have spent over £90million overhauling the poor physical conditions and demanding that services and staffing in these projects be engaging and inspiring. A further £70million has been secured for another three years and the programme has now officially been given the name "Places of Change". This is a term used to describe a place where there is active engagement with homeless people with the aim of moving them on. These centres are meant to be stop-gap, temporary solutions for people to go when they are climbing out of

their homelessness crisis but all too often they have kept people for years and held them back. It's not just the institutional buildings and the lack of opportunities, sadly often the staff have become ingrained in the thinking that most of their homeless residents are "not ready yet" and often that sentence includes the words "for work". Such is the fear that by looking at employment you could jeopardise your benefits and therefore lose your hostel place, that project workers rarely recommend work as an option to clients. "Wait till you've got your place, then you can think about work" is the phrase often heard. Yet even if you believe that these people could still be working on their options while they sit there. They could be igniting an interest, learning a new skill, getting qualified, volunteering - doing SOMETHING!

The two outcomes of our programme are 1. Increasing the number of people moving on to independent living and 2. Increasing the number of people moving into training and employment.

So all our projects contain elements of a pathway from Engagement to Education to Employment. Naturally there is a recognition that this journey may be slower for some people and indeed that some may never make it to employment, however there should always be the opportunity to follow this pathway so that there is a direction of travel for people and not just stagnation. The journey can raise someone's quality of life even if the destination is never reached. Having said that, in South London we have invested in a hostel for long term, older drinkers - the kind of clients who often never make it out of homelessness. Thamesreach, the voluntary organisation running the hostel, are now running a project called "Cabbages & Kings" where residents run an Organic Vegetable box scheme. They grow the produce, package it and drive it to market. This isn't demanding work but there is the satisfaction of being part of something exciting and profitable. As their Chief Executive Jeremy Swain says "if Places of Change can work in this hostel then we can prove it can work anywhere. Don't give up on your clients no matter how high their support needs".

PLACES OF CHANGE AND THE 2ND QUESTION EVERYONE ASKS YOU

One of the most startling examples of "Engagement" is in a YMCA in Birkenhead. Hard to reach clients previously sitting in their rooms all day staring at the wall, are enlisted on a Powerboat driving course. This 3 day course takes place firstly in Liverpool's docks and then, on day 3, they navigate across the river Mersey, one of Europe's busiest river ways. Every client gains a Level 2 powerboat driving qualification but that's not the point. They now feel like engaging with their key worker, thinking about sorting their drug



problem out and sorting their housing. Also they have the answer to the all important second question anyone ever asks you – “What do you do?”. If the answer is “I’m a powerboat driver” then you can imagine how people’s horizons for themselves are instantly raised. Other engagement activities aren’t just “Soft Skills” – a risible phrase – they also bring strong educational benefits through embedded learning. The famous story I tell is of the hostel in central London where a sign was erected saying “literacy and numeracy class, Wednesday at 3pm”. Not surprisingly not many people made it to the class...they couldn’t read the notice. So the hostel then decided to put up a picture of a DJ with his decks and records and word got round that there was DJ-ing class on a Wednesday at 3pm. It was over subscribed, packed full of people. However, this DJ was also a project worker and pointed out that they had to know the names of the tracks and how long the tracks lasted, their BPM and so on. Literacy and numeracy was crucial. As it is in Sport, music and so on. It’s not surprising that the classroom environment didn’t work out very well for a lot of homeless people, and also the point at which they access services is often the lowest point of their lives. So offering something attractive, fun and of interest is going to work better than a clipboard and an interviewing room.

This is crucial “first steps” work on the road to employment. It’s difficult to find funding for and that’s why the self-funding nature of social enterprise is very attractive. We have launched businesses in landscape gardening, light engineering, restaurants, cafes and so on.

In Newcastle the homeless residents built their own hostel. It was the ultimate win-win. They got training, qualifications, a job, a wage, resettled into their own flat and we got a newly built hostel at the end of it too. Tyneside Cyrenians Chief Executive, Stephen Bell, cites the relationship with the contractor as the key to their success. “If a company shares your ambitions, has staff with great people skills and is willing to be flexible with your workforce then you can achieve great things” he says.

PLACES OF CHANGE AND WOMEN

We don’t specifically pinpoint services for women as a separate area of work within the PCP however we do see some of the most innovative work taking place in all-women projects. I’m going to highlight two schemes specifically which show issues which hinder women more than men when it comes to getting out of homelessness and into work. We fund a project for sex workers in the East End of London called “U-turn”. It’s a day centre/night centre which offers both the usual services of laundry, showers, food and companionship alongside healthcare in a medical room, sexual health advice, counselling etc. However it also contains a nail salon. I’ve taken some stick from amused colleagues who believe that by funding a salon we’re helping prostitutes get more business on the street! However that is hardly the point. By tying the salon into accredited training in the beauty industry through a local college we are offering an alternative career path for sex workers. And even if it doesn’t pan out that way, the activity and training provides inspiration for a move away from prostitution to other jobs and other training. “U-turn” Chief Exec, Rio Vella, worked for years with women on the streets of London’s east end and felt she was seeing

the same old faces year in, year out. By offering education and employment options and raising their aspirations she feels there’s a chance of making a lasting change for these women and not just temporary respite.

One of the three main causes of homelessness, as identified in our government’s homelessness strategy, is domestic violence. A scheme in Grimsby run by North East Lincolnshire Women’s Aid (NELWA) has provided inspiration to both the DV and the homelessness sector. The formidable staff team have put the women at the forefront of their service design in every respect. The architects began the redevelopment of their hostel by talking to the residents and using their comments as the design brief. Everything from a “peace garden” to allow mothers a break from their kids and time to reflect to a window overlooking reception so if abusive partners paid a visit they could be viewed without being seen. Opposite the hostel they built a “Women’s Centre” which provides activities, training and counselling. Often it was the abusive ex-partner who carried out maintenance around the home and other DIY tasks so before the residents move into new accommodation they can attend classes at the women’s centre in joinery, plumbing, wallpapering etc. These don’t just help when moving into a new home but also help providing skills for employment. NELWA also have a chain of shops in the local area. The Centre have courses in jewellery making, glass painting, card making etc which all provides product to sell in the shops. Personal development is also a focus for work in the Women’s centre. There are “assertiveness” classes; classes in “dealing with change and transition in your life”; classes in “dealing with stress”; as well as health and legal advice sessions. Denise Farman, the Chief Executive, is aware that jobs come in all shapes and sizes and so if the practical activities don’t ignite an interest in the women then they offer up placements in their admin offices and reception desk so they can get a taste of an office environment too. The centre is an embodiment of the principle that providing a roof and respite is not enough. Skills and opportunities are going to break the cycle of homelessness and allow the homeless person to move on with confidence. So – to continue the unflattering metaphor – when the horse gets to the water, it CAN actually drink.

“There’s only so much time I can spend sorting out my housing and my money, what do I do the rest of the time?”.

When a young homeless guy in a hostel asked me this recently I said “I dunno, what do you do the rest of the time?” he replied “I get into mischief with my mates”.

“Work” as a solution to homelessness is not just the paid job that helps you sustain your tenancy and pay the bills. Work is the activity that gets you out of the headspace of being homeless – sport, music, art etc; work is embarking on a college course and the qualification you get; work is the volunteer placement that gets you into the work environment. And work is the paid job that pays for the private rented accommodation after you decided you didn’t need to wait for social housing. Work has many forms and we need all of them in our homeless projects. That is the belief that has driven the programme to rebuild hostels and other centres for homeless people in England and Wales. ●

Multiple barriers, multiple solutions: employment and homelessness in Spain

By Antonio Rodriguez, *President of Faciam*



This article draws on the work done by the Spanish members of FEANTSA for the annual theme of 2007: **Multiple barriers, multiple solutions: Inclusion into and through employment for people who are homeless.** Spanish members across Spain cooperated to draw up a report offering a comprehensive overview of the employment situation of people who are homeless in Spain. This article seeks to offer an overview of the findings of that work. You can find more details on the annual theme, including the national reports on FEANTSA's website.¹

Spain has been growing these last years at a rate of over 3.5%. This growth of the economy means that there is significant employment creation, almost 900 thousand new jobs in 2005 and an increase of 850 thousand in the first semester of 2006. The strong growth in the area of employment has led to a reduction of unemployment to close to the European average (8.5% in the second trimester of 2006), despite the high rate of growth of the working population.

The main tendencies in the Spanish labour market are as follows:

- **Increased difficulty for young people to access the labour market.** At the present time, the labour insertion of Spanish young people has been delayed by some 6-7 years. In addition, this insertion is increasingly characterized by "flexi-precariousness".
- **Massive increase of women in employment.** Nevertheless, gender discrimination and problems of inequality between men and women remain.
- **Increase of in the educational qualification levels of the population.** However, there are over-qualification issues: 25% of the university students have a job under the professional level for which they are qualified.
- **Increase of the immigrant manpower.** The high levels of immigration have brought increased the migrant population to 8.7% of the total population.
- **Increase of temporary contracts.** These represented 34.4% of all employment contracts in 2006.

- **Is full employment possible?** In political discourse, it's common to link economic growth with an increase in employment. But a policy that pursues full employment without taking account of economic conditions that have led to a crisis in the past can lead to smaller growth or indeed create the foundation for a future crisis that would mean a return to former unemployment rates. For this reason, it is necessary to redefine the value of the economy and the market and to explore another kind of economy and ways of achieving greater social cohesion.

Within a context of increasing employment rates, many homeless people without serious problems could get a job, though such work would mostly be precarious in nature. However it is true that in the main, homeless people have not been able benefit from employment growth because *"the success of integration in the mainstream labour market depends on it being part of an overall holistic process and goes much further than just signing an employment contract"*. This statement sums up the position expressed by organisations working with people who are homeless across Spain. Most organisations feel that with this group it is necessary to make an additional effort in terms of social support, counselling, training...As regards the social economy, the feeling is that for homeless people in Spain it does not really constitute a genuine alternative, given its very limited scope and scale.

EMPLOYMENT PROFILES OF PEOPLE WHO ARE HOMELESS IN SPAIN

The most recent national study, carried out by the National Institute of Statistics in 2005, offered the following findings: **11.8% of the overall group of homeless people have a job**, 75.7% are unemployed and 12.5% are inactive (including refugees). Among the unemployed, 49.6% are looking for a job. A significant proportion of them are in the process of trying to improve their living situation.

In this same study, income sources were analysed and it was shown that 19.9% of the homeless live on their wage, 7.4% on the prof-



its from offering services or selling objects, 14.2% on the money given by people on the street and 16.4% on the money given by family and friends. 17.5% live on public benefits and the rest do not have an income or do not know/do not answer.

The average income homeless people in Spain is 301.59 euros a month. However, the monthly average income of 50% of people who are homeless is below 300 euros, 11% have an income between 301 and 450 euros, 9% between 451 to 600 euros, 6% earn more than 600 euros and 24% did not answer to this question.

PROGRAMMES AND SERVICES FOR PEOPLE WHO ARE HOMELESS

As had been indicated in previous studies, it was confirmed that most of the services offered to people who are homeless are of an emergency nature or offer basic support services: most centres for homeless people offer accommodation services of different kinds (73.9%), food (69.7%), and clothing (43.8%), as well as information and advice (79.6%). There are relatively few services oriented towards beginning a durable reintegration process and they are offered only in a small percentage of the current centres in Spain. By way of an example, there is relatively limited offer of occupational workshops (offered in 22.5% of the centres) or labour reintegration workshops (15.3%). These small figures probably reflect the fact that they are more complex and expensive services than the traditional ones.

Nonetheless, there is a growing attention towards services intended to support and to accompany homeless people in a labour reintegration process and there is better availability of services like internet access, provision of press, telephone, etc. In 2000 there were about 85 homeless centres with a job search service. However, specific employment reintegration services are less frequent.

With regard to the social economy, it must be said that the creation of social companies for integration in Spain is recent. Many of them have had their origin through the implementation of minimum social wage policies in the different Autonomous Regions. One of the key points of these policies has been the creation of integration projects for groups suffering exclusion. These have been gradually transformed into productive bodies and have moved away from social integration company formulas.

A study from 2003 about Social Integration Companies in Spain showed 147 companies, with 3,550 socially excluded people participating in them. 27.5% (40 companies) worked with homeless people.

INTEGRATION OF AN EMPLOYMENT DIMENSION INTO THE STRATEGIES AGAINST HOMELESSNESS AND EXCLUSION

Generally, the organisations in Spain that took part in the work on employment for FEANTSA's annual theme say that there is no integration of the employment dimension into homelessness strategies. *"There are some individual examples of experiences that have this objective, but generally the length in time and forms are not relevant."*

In my opinion, a biased vision of homelessness policy is still prevalent in Spain. It is focused on personal issues and on housing needs, which many of them have. This means that the policies are mainly centred on housing and where training or occupational projects exist, they are generally aimed at the recovery of personal habits, social skills for independent living... The lack of employment policies for this group has led underdevelopment of employment support projects and transitional or social economy jobs. In addition, any homelessness prevention policy linked to employment is almost non-existent.

EVALUATION BY HOMELESSNESS ORGANISATIONS OF POLICIES TO TACKLE UNEMPLOYMENT

There is quite a negative view of the measures for unemployed persons among homelessness organisations, due to the fact that they are not adapted to the needs of homeless people: they are not holistic and do not take account of the personal process of each person. In fact, such measures generally blame the unemployed person (despite the fact that the problem of unemployment is much more far-reaching than the circumstances of an individual). They also adopt an overly rigid and not personalised intervention. Many of these measures have as their sole objective the reduction of the "official" number of unemployed people.

Activation must be understood to involve all aspects of the social activation of a person and must therefore include motivation of the person. There is no variety of projects that might fit with different personal situations: rather there are only two options - working or not working.

The lack of effectiveness of such measures as do exist has led many institutions to start up their own advice, support and employment mediation services, although these operate outside the general employment policy and its funding.

There is no explicit recognition and proper funding of the occupational workshops as is the case, for example, for people who are disabled, and the insertion companies that do exist are there due to the efforts of the organisations that manage them with little other support.

The lack of effectiveness of such measures as do exist has led many institutions to start up their own advice, support and employment mediation services, although these operate outside the general employment policy and its funding.

Some organizations mention positive experiences within the framework of European projects, which often included awareness-raising objectives in relation to businesses and society in general. "Their utility was evident but they have not lasted". It is often the problem of this type of project that they do not have continuity beyond completion of the initial project.

Everybody agrees that the individual has to achieve the personal motivation to finish a process of labour reintegration successfully. It is also vital to have his/her full participation in all stages of the process.

COOPERATION BETWEEN DIFFERENT STAKEHOLDERS AND FINANCING

In general terms there is coordination between the institutions that work with homeless people and develop complementary related programmes, whether public or private. This is particularly the case in large urban areas. There is usually cooperation with other social organizations that develop employment/training programs, mainly at referral level between professionals. However, the cooperation with the public administrations related to training and employment is usually limited and often non-existent. Generally the coordination arises more from good understanding between the professionals and the organisations involved than from transfer protocols or official collaboration agreements.

The funds come from different sources. Funding

from the European Social Fund has been the most appreciated. Nevertheless, it doesn't generally fund employment and training services. The funding source for such programs is generally from public social services and through the Insertion Programmes for the Minimum Insertion Wage.

Funding is inadequate and unstable. There is no flexibility with the concepts, and many aspects like transport, food or housing aids are not allowed. Sometimes it's not possible to get funds due to the fact that homeless people are not identified as a high-priority group. The instability of funding necessarily has a negative impact on the contracts of those professionals working in this area. This labour instability in turn impacts on the quality of the service.

To conclude:

- The right to be active should be a basic element for personal development and social insertion.
- There must be a right to have one's basic needs met with dignity and unconditionally.
- The social economy could and should be a real employment alternative for many persons who have little chance in the mainstream labour market.
- Participation of the homeless individuals in the different actions should always be a central consideration. It is a fundamental element for integration and all actions towards this end. •

¹ More details on the annual theme: <http://www.feantsa.org/code/en/theme.asp?ID=36>