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Growing Homelessness & Housing Exclusion Flagged in the Autumn Package

... But you'll have to read the small print!

On 21st November, the European Commission published the “Autumn Package”, marking the start of the 2019 European Semester. The Package contains *inter alia* the Annual Growth Survey (AGS), Alert Mechanism Report and Draft Joint Employment Report. The following is a brief analysis of the package from a housing exclusion and homelessness perspective.

The AGS is the Package’s flagship document, setting out overall economic and social priorities. This year it sets a positive tone, focusing on the EU’s success in overcoming the crisis, the return to growth and the case for investment. Amongst this good news, there is an acknowledgement that risk of poverty or social exclusion remain a challenge, especially for vulnerable groups. High and rising levels of in-work poverty in several countries are flagged. Persisting income inequality and slow reduction in poverty; as well as regional and territorial disparities are considered “persisting vulnerabilities”. To address this, the Commission calls on Member States to promote activation and social inclusion policies, as well as universal access to affordable and quality care services. FEANTSA welcomes both the positive developments on the social front and the reminder that there is still much work to do to tackle poverty.

However, FEANTSA also expresses concern that the crisis appears to have become the benchmark for tackling poverty in Europe, representing a significant downgrading of ambition. Furthermore, housing exclusion and homelessness are invisible in this year’s AGS. The only mention of housing is a call for “*targeted investment in residential construction, coupled with simplified national regulations*”. This is a stark contrast to last year, when the AGS considered social housing, housing assistance, protection against forced evictions and fighting homelessness as “essential” priorities. In 2019, despite a worsening situation on the ground, the sense of urgency seems to have gone. FEANTSA Director Freek Spinnewijn stated:

“Last week, the World Bank published a report highlighting that the EU faces a housing affordability crisis. People in 26 of the 28 EU capitals struggle to find good housing at reasonable prices. This urgent reality seems to have escaped the attention of the AGS. In 2019, housing as an investment seems to trump housing as a right. Has the Commission already turned the page on the European Pillar of Social Rights? If we are serious about progressively realising the right to adequate, affordable housing for

all, and about investing to achieve that, we need to recognise the urgently worsening situation in the EU today”.

The AGS is accompanied by the Draft Joint Employment Report (JER), providing a more detailed reading of the employment and social situation. The key messages of the JER include an acknowledgement that:

“In a context where housing-related expenditures amount to a significant share of many households’ incomes and the evolution in the number of homeless is not improving, some Member States have undertaken reforms to improve access to housing, either through the provision of incentives or via preventative measures”.

Later sections of the report contain detailed analysis of the housing exclusion and homelessness situation in the EU. This is of better quality than in previous years and paints an alarming picture. It goes beyond the social scoreboard and highlights several alarming trends, including:

- 37.8% of poor households face housing cost overburden
- When housing costs are considered, 156 million people are at risk of poverty in the EU, compared to 85 million when housing costs are not considered
- There is a significant gap in access to housing for people living in poverty & quasi-jobless households
- Housing deprivation affects more than 20% of the population in 5 Member States
- National data suggests homelessness is increasing in all Member States apart from Finland

FEANTSA strongly welcomes this detailed analysis of housing problems and homelessness in the JER. The situation revealed here merits urgent political attention at European and national level. We therefore regret that it has not translated into the priority-setting exercise of the AGS. We are concerned that homelessness and housing exclusion are relegated to the small print in the main social and economic policy process of the EU. This is particularly disappointing when the updated Joint Employment Guidelines and the European Pillar of Social Rights create more scope for EU ambition in the fight against homelessness and housing exclusion.

FEANTSA is alarmed by the apparent contradiction between the JER and the Alert Mechanism Report (AMR). The AMR identifies countries to be subject to an in-depth review of potential macroeconomic imbalances. The overall message of the AMR seems to be that accelerating house price growth is not a cause for alarm in most cases. This conclusion can only be drawn by neglecting the social implications of housing becoming out-of-reach for a growing proportion of the population. The AMR considers further analysis of risks linked to housing markets in the 2019 country reports of Austria, Belgium, Czechia, Denmark, Hungary, Luxembourg, and the United Kingdom. This seems to neglect several countries with above-average rates of housing cost overburden amongst the poor population (Sweden, Slovakia, Netherlands, Germany, Bulgaria). It neglects Ireland, where rising homelessness has become

a highly visible issue of public concern, and where the Semester has hitherto drawn consistent attention to housing affordability problems, as well as homelessness.

Overall, FEANTSA congratulates the Commission and the SPC for engaging with Europe's housing crisis in the JER. We regret that the AGS implies that the housing crisis is not amongst the top policy priorities for 2019. We hope that the country-specific part of the Semester will none-the-less engage seriously with housing exclusion and homelessness. Furthermore, we call on policymakers at EU, national, regional and local level to take all necessary steps to implement Priority 19 of the European Pillar of Social Rights, and strive for the progressive realisation of the right to adequate housing for all, within and beyond the European Semester process.

For more information, contact ruth.owen@feantsa.org
