



FEANTSA

FEANTSA Reaction to the Annual Growth Survey 2014

November 2013

## FEANTSA Reaction to the 2014 Annual Growth Survey

### Key Messages

FEANTSA welcomes some elements of the Annual Growth Survey (AGS) which provide an opportunity to take better account of homelessness in the Semester framework.

However, we also underline that the drive towards fiscal consolidation and macroeconomic surveillance as central concerns risk contributing to a worsening overall social situation and increasing poverty, including homelessness.

FEANTSA is very concerned about the poor quality of reporting on policies to address homelessness and housing exclusion in the Draft Joint Employment Report and calls for urgent action to improve this in the future.

FEANTSA puts forward 7 recommendations to strengthen the contribution of the European Semester to tackling homelessness.

## 1. Introduction

The Annual Growth Survey 2014 (AGS) was published on 13 November, launching the fourth cycle of the European Semester of economic policy coordination and setting priorities for the year ahead.<sup>1</sup> The European Semester aims to ensure that European Member States' (MS) policies support progress towards the Europe 2020 targets, including the target of reducing the number of people living in poverty by 20 million.<sup>2</sup> As the most severe form of poverty in Europe, and as a clear priority of the Social Investment Package<sup>3</sup> and the European Platform against Poverty,<sup>4</sup> homelessness merits specific attention in this context. Indeed, when issuing its Country Specific Recommendations in 2013, the Commission called on MS to “pay more attention to combating different forms of poverty” including “child poverty, **homelessness**,<sup>5</sup> in-work poverty and over-indebtedness”.<sup>6</sup>

The Communication on the AGS 2014 was accompanied by:

1. A Staff Working Document assessing the implementation of previous country-specific recommendations issued in the preceding Semester.<sup>7</sup>
2. The draft Joint Employment Report<sup>8</sup>
3. The 2014 Alert Mechanism Report<sup>9</sup>
4. The Commission's second annual Report on Single Market Integration<sup>10</sup>

This reaction focuses on the AGS and the Draft Joint Employment Report. The following section contains an analysis of these with some brief comments on additional documents, and the final section puts forwards recommendations for moving forward.

## 2. Analysis of Annual Growth Survey (AGS) and Joint Employment Report

### Annual Growth Survey

The five policy priorities of the AGS remain the same as in 2013, namely:

1. Pursuing differentiated, growth-friendly fiscal consolidation
2. Restoring lending to the economy
3. Promoting growth and competitiveness
4. **Tackling unemployment and the social consequences of the crisis**
5. Modernising public administration

FEANTSA welcomes the continued inclusion of “tackling unemployment and the consequences of the crisis”, noting that some dimensions such as the focus on the Youth Guarantee have been strengthened. The following analysis is included under this priority:

“Better performing social protection is essential to support social change and reduce inequalities and poverty over time. Active inclusion strategies should be developed, encompassing efficient and adequate income support, activation measures as well as measures to tackle poverty, including child poverty, and broad access to affordable and high-quality services, such as **social** and

<sup>1</sup> [COM\(2013\) 800 final](#)

<sup>2</sup> [COM\(2010\) 2020 final](#)

<sup>3</sup> [COM\(2013\) 83 final](#) and [SWD\(2013\) 42 final](#)

<sup>4</sup> [COM\(2010\) 758 final](#)

<sup>5</sup> Our emphasis, here and elsewhere in the document.

<sup>6</sup> [COM\(2013\) 350 final](#) pg 7

<sup>7</sup> [SWD\(2013\) 800 final](#)

<sup>8</sup> [COM\(2013\) 801 final](#)

<sup>9</sup> [COM\(2013\) 790 final](#)

<sup>10</sup> [COM\(2013\) 785 final](#)

**health** services, childcare, **housing** and energy supply. The link between social assistance and activation measures should be strengthened through more **personalised services** ("one-stop shop") and efforts to simplify and better target benefits will help improving the take-up of measures by **vulnerable groups** and their effectiveness."<sup>11</sup>

FEANTSA considers the new call for personalised services to be potentially very positive. Homeless policies and services need to become more focused on personal needs, as in the Housing First model which has been widely acknowledged as a proven effective social innovation at European Union (EU)-level. FEANTSA stresses that the personalisation of services is not simply about activation but about holistic responses to social needs. We question why "one stop shops" are given such attention in this context. Nonetheless, we hope that MS will recognise the need for high-quality personalised services to fight homelessness and extreme poverty.

We also welcome the ongoing focus on active inclusion and specifically the reference to social, health and housing services. These are all essential elements in developing the type of integrated, housing-led strategies for tackling homelessness that are called for in the Social Investment Package (SIP).<sup>12</sup>

Furthermore, FEANTSA is pleased with the attention given to minimum income, which is essential in preventing and tackling homelessness. In this context, we emphasise the need to address non take-up of minimum income by some of Europe's most vulnerable citizens.

FEANTSA also welcomes the European Commission (EC)'s plans to focus on the situation of the **most vulnerable** in the framework of the AGS and the Semester. This has been introduced as a new priority. There cannot be any doubt that homeless people are amongst the most vulnerable in today's society. We therefore call upon the European Commission to make sure that homelessness is fully integrated in the Semester process.

The acknowledgement from the Commission that "there is a need for greater involvement of national parliaments, social partners and civil society in the process" is positive in FEANTSA's view.<sup>13</sup> It is however regrettable that the Commission did not go as far as to give a clear recommendation on the need to include civil society actors in the preparation of the National Reform Programmes and Stability or Convergence Programmes.

Despite welcoming the broadly positive developments outlined above, FEANTSA also emphasises that the social ambition of the AGS could and should be stronger, especially given that the EU is not on track to deliver on its poverty target in the Europe 2020 strategy.

### **Draft Joint Employment Report**

The Draft Joint Employment Report (JER) analyses employment and social policies and developments. It aims to provide a basis for further analysis and monitoring in the forthcoming EU Semester.

In 2014, the JER includes for the first time a social scoreboard including indicators on the following: unemployment, youth unemployment, at risk of poverty rate, inequalities and household income. FEANTSA welcomes the introduction of this scoreboard but notes the need to account for social developments that are not directly addressed by the indicators, especially regarding thematic priorities of the Social Investment Package such as homelessness.

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<sup>11</sup> [COM\(2013\) 800](#) final pg 12

<sup>12</sup> <http://ec.europa.eu/social/main.jsp?langId=en&catId=1044&newsId=1807&furtherNews=yes>

<sup>13</sup> COM(2013) 800 final pg 5



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The JER focuses on the implementation of the Employment Guidelines in MS in view of reaching the Europe 2020 objectives. Employment guideline number 10 encourages MS to promote social inclusion and combat poverty. In this context, the JER includes some reporting on strategies to tackle homelessness and housing exclusion. FEANTSA is deeply concerned about the partial and inaccurate nature of this reporting, as well the lack of transparency regarding inputs.

Firstly, the reporting on homelessness covers only a handful of countries (HU, LU, ES, FR, SK, NL, BE). Given that homelessness is increasing in a majority of MS, this is highly inadequate. It is not clear why these countries have been selected. Furthermore, the reporting is highly superficial and unbalanced, presenting initiatives as positive without any analysis of the implementation, broader policy context or trends. For example, Hungary is cited as having introduced measures to increase affordable social and rental housing to tackle segregation. Yet there is no mention of the fact that constitutional changes have been made in order to introduce the criminalisation of homelessness which has been an issue of concern for NGOs but also for EU institutions such as the EP and the Council of Europe. In the UK, FEANTSA members described the SPC report 'Social policy reforms for growth and cohesion: Review of recent structural reforms 2013'<sup>14</sup> (which provided the basis for the Joint Employment Report) as "a woeful misrepresentation of the UK's welfare reforms drafted by people living in a parallel universe".<sup>15</sup> Recent official statistics about homelessness in France show a massive increase of 50% over the last 10 years, but the JER only praises France's efforts to make housing more affordable.<sup>16</sup> There was no clear opportunity for stakeholders to contribute to this analysis and it was not carried out in a transparent fashion.

As the AGS package is the start of the Semester process, **factual and comprehensive reporting on priority issues is of essential importance if the Semester is to deliver.** FEANTSA recognises that there is a lack of comparable data on homelessness available at EU level. However, the Employment Committee, Social Protection Committee and Commission have agreed on a Joint Assessment Framework (JAF) for tracking progress and monitoring the Employment Guidelines under Europe 2020.<sup>17</sup> The JAF includes the priority to analyse whether specific measures are in place to reduce poverty amongst groups most at risk of social exclusion, including the homeless.<sup>18</sup> The JER shows that the EU is currently failing to take account of evolutions in homelessness and this urgently needs to be addressed.

Overall, FEANTSA welcomes the JER and its role in strengthening the social dimension of the European Semester. However, we consider that there is an urgent need to develop better mechanisms to monitor and report on homelessness and homeless policies.

### Comments on Additional Documents

FEANTSA plans to conduct an analysis of the Alert Mechanism Report and In Depth Reviews later in the 2014 Semester. We will report on the implications of the analysis and guidance on housing markets from the perspective of homelessness and housing exclusion. At this stage, FEANTSA wishes simply to highlight that the EC and the MS should be acutely aware of the potential implications of housing policy reforms in terms of homelessness and housing exclusion.

FEANTSA also considers that the Staff Working Document on implementation of Country Specific Recommendations (CSRs) should be more complete and detailed in its follow-up of anti-poverty CSRs.

<sup>14</sup> <http://ec.europa.eu/social/main.jsp?langId=en&catId=758&newsId=1983&furtherNews=yes>

<sup>15</sup> Press release available at : <http://www.scsd.org.uk/>

<sup>16</sup> INSEE press release at <http://www.insee.fr/fr/ffc/ipweb/ip1455/ip1455.pdf>

<sup>17</sup> [Council 16984/10](#)

<sup>18</sup> [Council 16984/10](#) pg 39

### 3. Recommendations

1. FEANTSA calls on MS to use the European Semester framework (specifically the National Reform Programmes (NRPs) and the National Social Reports (NSRs)) to report on progress in following up the Social Investment Package, including in the priority area of homelessness. They should focus on the implementation of “comprehensive homelessness strategies based on prevention, housing-led approaches and reviewing regulations and practices on eviction, taking into account the key findings of the guidance on confronting homelessness” provided in the Social Investment Package.<sup>19</sup>
2. FEANTSA calls on the European Commission to use the European Semester framework to monitor and support MS policies and progress on homelessness, in line with the Social Investment Package as described above. This should include clear guidance on how to use the NRPs and/or NSRs as well as some specific monitoring initiatives (see below). It should also take full account of the reality in the “Programme” countries despite the fact that they are not subject to reporting in the framework of the Semester.
3. FEANTSA invites the Commission to consider developing Country Specific Recommendations on homelessness for MS that are clearly experiencing notable increases in homelessness or reversals of previous positive progress in tackling homelessness. FEANTSA furthermore invites the European Commission to consider homelessness as an important dimension of poverty, child poverty, youth exclusion/unemployment, health and housing markets – issues on which they have already developed CSRs. Issuing CSRs on homelessness where needed would be the logical follow up of the Commission’s call for MS to pay more attention to this issue.<sup>20</sup>
4. Given the seriously inadequate nature of reporting on homeless/housing exclusion policies in the Draft Joint Employment report annexed to the AGS (see above), it is now urgent that the Social Protection Committee and the Commission improve progress on monitoring homelessness and develop some concrete methodologies to follow up on the Joint Assessment Framework. FEANTSA invites them to consult the homeless sector on how to achieve this. Various instruments are available – EU-SILC, the European Quality of Life Survey, analysis of non-comparable national data to establish trends, strategic use of the NRPs and NSRs, analysis of data on homeless service use (as suggested by the EC in its working paper ‘Data sources for the timely monitoring of the social situation in EU Member States’).<sup>21</sup> FEANTSA has already developed monitoring tools which could provide useful input.<sup>22</sup>
5. FEANTSA supports the proposal of the European Parliament’s Employment Committee<sup>23</sup> to include monitoring of homelessness as part of the social dimension of the EMU. This monitoring should be fully integrated into the European Semester.
6. FEANTSA notes that the 2014 AGS marks the beginning of a new Multiannual Financial Framework for the European Union. In this context, it calls on the MS and the European Commission to make the best use of available financial instruments (particularly the Structural Funds, European Fund for European Aid to the Most Deprived, European Programme for Employment and Social innovation) to improve progress on tackling homelessness.

<sup>19</sup> COM(2013) 83 final pg 12

<sup>20</sup> COM(2013) 350 final pg 7

<sup>21</sup> <http://ec.europa.eu/social/main.jsp?catId=89&furtherNews=yes&langId=en&newsId=1935>

<sup>22</sup> “On the Way Home”: FEANTSA Monitoring Report on Homelessness and Homeless Policies in Europe, available at:

<http://www.feantsa.org/spip.php?article854&lang=en>

<sup>23</sup> [B7-0496/2013](http://www.feantsa.org/spip.php?article854&lang=en)

7. In addition to the above, the European Commission should go beyond the European Semester and develop a European homelessness strategy.<sup>24</sup> This would support Member States and other stakeholders in their efforts to combat homelessness in line with the SIP, through the promotion of transnational exchanges, training and research, progress monitoring and the provision of policy guidance, as well as financing social innovation and experimentation and facilitating access to the Structural Funds.



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This programme was established to financially support the implementation of the objectives of the European Union in the employment and social affairs area, as set out in the Social Agenda, and thereby contribute to the achievement of the Lisbon Strategy goals in these fields. The seven-year Programme targets all stakeholders who can help shape the development of appropriate and effective employment and social legislation and policies, across the EU-27, EFTA and EU candidate and pre-candidate countries. To that effect, PROGRESS purports at:

- providing analysis and policy advice on employment, social solidarity and gender equality policy areas;
- monitoring and reporting on the implementation of EU legislation and policies in employment, social solidarity and gender equality policy areas;
- promoting policy transfer, learning and support among Member States on EU objectives and priorities; and
- relaying the views of the stakeholders and society at large.

For more information see:  
[http://ec.europa.eu/employment\\_social/progress/index\\_en.html](http://ec.europa.eu/employment_social/progress/index_en.html)

The views expressed herein are those of the authors and the Commission is not responsible for any use that may be made of the information contained herein.

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<sup>24</sup> See FEANTSA policy statement 'Time to Act...', available at <http://feantsa.org/spip.php?article496&lang=en>