

June 2016

Homelessness and Housing Exclusion in the 2016 Semester

Introduction

This analysis of Country Reports and Country Specific Recommendations in the 2016 Semester builds on FEANTSA's comments in previous years¹. It explores to what extent homelessness and housing exclusion are adequately addressed in the Semester. Our analysis aims to feed into reflection about whether and how the Semester can provide a suitable policy space for making progress towards the Europe 2020 poverty reduction target and a "social triple A" for Europe.

FEANTSA welcomes the references to homelessness and housing exclusion in a small number of 2016 Country Reports. This is the first time these reports, published by the Commission in the first part of the year to analyse Member States' economic and social policies, have really engaged with the issue of homelessness. In the context of Europe's current housing and homelessness crisis, this is a step in the right direction. However, it is clear that much more robust, comprehensive analysis of Member States' homelessness and housing exclusion situations, including recommendations where warranted, would be needed to generate any impact on Member States' policies and to actually address the issue. This would help to implement the planned European Pillar of Social Rights, which includes housing and homelessness as a priority.

Policy Context

The European Semester is a complex and evolving process, impacting on Member States' economic and social policy choices to varying degrees. It brings together a number of instruments and procedures with different legal bases and covers a range of policy domains. In the annual Semester process, the Commission analyses the reform policies of Member States, provides recommendations, and monitors implementation. Member States are then expected to implement the commonly agreed policies. Analysis is carried out through the production of Country Reports (CRs). Recommendations are issued in the form of Country Specific Recommendations (CSRs).

The Semester's scope in the social policy area has been much debated amongst the Institutions, Member States and Stakeholders. Its primary focus is economic governance, underpinned by enforcement mechanisms. Social inclusion experts and the Commission have described a gradual "socialization" of the Semester². NGOs, including FEANTSA, have sought to engage actively in the Semester and re-enforce its social dimension. This "socialization" of the Semester is a fractured and ongoing process. It remains to be seen how it will evolve in light of the proposed European Pillar of Social Rights.

¹ See <http://www.feantsa.org/spip.php?article615&lang=en>

² Zeitlin J. and Vanhercke B. (2014) Socializing the European Semester? Economic Governance and Social Policy Coordination in Europe 2020, Watson Institute

Homelessness in the 2016 Semester

Across the 27 EU Member States which participate in the Semester, the issue of homelessness is raised in 4 Country Reports (Ireland, Denmark, Spain and Malta) in 2016. See the table below for FEANTSA's analysis by country. Homelessness does not appear in the Country Specific Recommendations at all. Whilst limited reporting on homelessness in the country reports is to be welcomed, it is clear that this does not provide a complete picture. There is scope to go further and deeper in analysing homelessness and housing exclusion in future editions of the Semester, and to consider Recommendations where warranted.

FEANTSA understands that the Semester cannot cover all social issues. Nonetheless, the Semester should endeavour to engage with the growth of extreme forms of poverty such as homelessness where relevant. Homelessness is a serious problem across the EU with an estimated 4 million experiencing it every year. Over 10.5 million households suffer severe housing deprivation and 22.3 million households face a housing cost overburden, indicating that they spend more than 40% of disposable income on housing³. Homelessness and housing exclusion can act as a "litmus test" for the performance of the social welfare social protection, housing and health systems.

There is a lack of consistency in terms of how homelessness is reported in the European Semester. For example while FEANTSA welcomes the analysis of homelessness in Ireland, it is an issue which the Irish government is actively pursuing with the introduction of modular homes, rent certainty measures, changes to how the Housing Assistance Payments are made to support families at risk of becoming homelessness and a strategy to replenish the social housing stock by 2020. Similarly the Spanish government has adopted an ambitious National Strategy on Homelessness 2015-2020. Denmark is also making significant strides towards reducing homelessness through the scaling of the Housing First approach and an effective prevention system. Whilst there is scope for improvement in all of these countries, it is not easy to understand why they have been "singled out" in relation to homelessness. In addition, there is a tendency to focus only on emergent forms of homelessness e.g. the situation of families or young people rather considering the full extent of the issue.

³ *An Overview of Housing Exclusion in Europe 2015* – Foundation of Abbé Pierre and FEANTSA

Overview of References to Homelessness in Country Reports

Country Report Analysis		FEANTSA Remarks
Denmark	<p>Pg 16</p> <p>"Recently there has been a significant increase in the number of homeless people aged 25-29. This increase of 29% (2013-2015) is a further indication that some vulnerable young people are still not being reached by current social, healthcare, educational or active labour market policy measures"</p>	<p>A welcome and accurate reference to the increase of youth homelessness in Denmark, which is an important and alarming trend.</p> <p>FEANTSA emphasises that the increase in youth homelessness is directly related to cuts in access to benefits for young people. This raises questions of consistency in the context of the CSR calling for further progress towards fiscal adjustment. FEANTSA would encourage the Commission to consider the necessary safeguards to ensure that such reforms do not push young people into poverty and homelessness.</p>
Ireland	<p>Pg 39</p> <p>"The adverse social consequences arising from the housing supply shortage are exemplified by the recent upsurge in family homelessness in Dublin. The number of homeless adults with dependents in Dublin increased sharply from 440 in November 2014 to 963 in November 2015, while the number of dependents (including children) has increased from 741 to 1 466 (27). Homelessness is likely to have an adverse impact on child development, education and general well-being.</p> <p>The impact of the supply shortage in the private rental sector is likely to have exacerbated homelessness in Dublin because increased market rents now exceed rent allowance and Housing Assistance Payment limits. In addition to addressing underlying housing supply issues, the recent government housing policy announcement moved to address the specific issue of homelessness in the short run, by increasing the pilot Housing Assistance Payment for the homeless in Dublin by 50 % over rent supplement limits".</p>	<p>A welcome and accurate description of increasing family homelessness in Dublin. Furthermore, this is the first time that the Commission has explicitly connected developments in the housing market with increased homelessness in its Semester analysis. This approach would be relevant for other countries too.</p> <p>Given the seriousness of the situation, and the clear link to the unstable housing market, an explicit focus on homelessness in the CSRs might have been justifiable.</p> <p>FEANTSA emphasises the potential inconsistency between the CSR promoting the expansion of activation policies and addressing the risk of family homelessness. FEANTSA also considers that the CSR on durable restructuring of non-performing loans should give due consideration to households who may be at risk of homelessness in the case of re-possession. This is particularly relevant considering the rising prices of rent and long waiting lists for social housing.</p>
Malta	<p>Pg 29 "Homelessness is mentioned in the context of poor provision of social housing with long waiting lists. However the report lacks a broader discussion or analysis on the needs of people who are experiencing homelessness".</p>	<p>FEANTSA considers the focus on social housing as part of social protection system reform is rather superficial and therefore difficult to analyse in much depth. The concern about long waiting lists is to be welcomed. The CSRs focus primarily on fiscal adjustment without reference to safeguards in the area of social protection.</p>
Spain	<p>Pg 61 "The social impact of mortgage foreclosures and housing evictions continues to be vast and significant. According to data from the Bank of Spain, there were 36 500 repossessions of primary residences in 2014, which corresponds to around 0.6 % of mortgages granted for purchase of primary residence in Spain. (72) More than half of repossessions were voluntary, but 1 800 of the repossessed primary residences were still occupied at the time of repossession. To tackle the social consequences of evictions, the authorities adopted the Comprehensive National Strategy for Homelessness 2015-20".</p>	<p>FEANTSA welcomes the Commission's engagement with the serious social impact of the housing crisis in Spain. There is scope to go further in analysing the housing market dynamics at play and to make proposals in terms of safeguarding measures.</p> <p>Again, the CSRs do not address the issue directly and the focus on fiscal adjustment is likely to increase pressure on housing and homelessness policies.</p>



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Housing in the 2016 Semester

In the framework of macroeconomic surveillance and control, the Commission increasingly monitors developments in housing markets in the framework of the Semester. Five countries received CSRs on their housing markets:

1. Italy received a CSR on accelerating the reduction of volumes of non-performing loans, including by continuing to improve the framework governing insolvency and debt collection. This relates directly to the situation of households vulnerable to losing their primary residence and yet the Commission gives no guidance on the potential social fallout.
2. One of the two CSRs for Luxembourg focuses on addressing barriers to investment in the housing market. The continued rise in property prices is singled out as a cause for concern. The Commission highlights a lack of available and affordable housing; suggesting that efforts to provide social housing at affordable prices could be strengthened. This is a useful recommendation and there is a clear engagement with the social dimension of the housing situation.
3. For the Netherlands, the Commission continues to express concern about distortions in the housing market leading to over indebtedness, largely due to tax incentives for mortgages. The Commission considers that measures have been taken to better target social housing towards those in need by better linking rents to incomes, and introducing a separation of accounting as SGEI and commercial activities within social housing companies. It recommends continued action to address distortions in the housing market and to tackle indebtedness by reforming incentives for mortgage debt.
4. In Sweden, the CSR continued to call for the removal of barriers to investment in the housing market, focusing particularly on the lack of affordable housing.
5. The UK CSR called for action to address the housing shortage, particularly through changes to planning regulations.

The housing CSRs are a mixed bag from a social perspective. There is some helpful focus on the social performance of housing systems (e.g. Luxembourg). Some of the CSRs, if implemented, could help to contribute to increasing housing supply for poor and vulnerable people. However, there is overall an insufficient focus on whether and how housing systems address, prevent or generate housing exclusion and homelessness. Currently, some of the recommendations may actually contribute to frustrating access to housing for the most vulnerable.

Health Inequalities and Homelessness

People experiencing homelessness experience health inequalities and multiple barriers to accessing healthcare. In general, homeless people have a much lower average age of death than the general population⁴. For example, in Denmark and Spain rough sleepers can expect to die nearly 20 years earlier than the general population. In the UK a male rough sleeper will die on average at the age of 47 and female rough sleeper will die at 43⁵.

The Semester process comprises an analysis of health systems. Policy reform in the health area has potentially significant implications for people in living in poverty and experiencing homelessness. The main areas identified in the Country Reports are:

Inpatient Care – The country reports for Austria, France, Lithuania, Poland, Slovakia, Bulgaria, Czech Republic, Latvia and Slovenia highlight a reliance on inpatient care and advocate for strategies which focus on outpatient care. This is particularly relevant in the context of people who are homeless, who generally contact health services at moments of crisis and require urgent emergency inpatient care. Investing in access to community and primary care systems for people who are homeless will result in cost savings and better health outcomes.

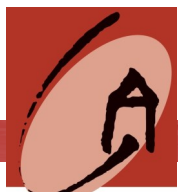
Access to Health – access to health care is highlighted in a series of country reports including Bulgaria, Romania, Estonia, Cyprus, Ireland and Finland. The focus is on the general population in terms of distance to treatments/services, efficiency of spending, social inequality and waiting lists. It is however worth underlining that access issues are exacerbated for people experiencing homelessness. Homeless people face a raft of barriers to healthcare from health illiteracy, administrative issues related to lacking a fixed address, insurance cover etc. These types of vulnerability should be taken into account within the country reports, so as to ensure that people in situations of extreme poverty and social exclusion are not left out of healthcare.

The CSR's relating to healthcare are mainly limited to countries in Central and Eastern Europe. The recommendations are related to the general healthcare system. However, they are likely to have a significant impact on those experiencing or at risk of homelessness. Recommendations which call for greater efficiency or sustainability in health systems, such as Austria, Latvia and Slovenia, provide cause for concern. They often accompany recommendations to make fiscal adjustments, and can result in cuts that disproportionately impact on vulnerable people. Often, these cuts deliver short term savings but generate long-term costs. Studies have shown that investing in more inclusive health systems can be more cost effective. For example, people who are homeless will become less reliant on expensive hospital treatments and acquire better health outcomes if investment is made to improve their living situations and provide access to primary healthcare⁶. In the context of tackling poverty and social exclusion, the Commission needs perhaps to be more attentive to the safeguards required in implementing structural reforms in the health area.

⁴ *Características De Los Ingresos Hospitalarios De Las Personas Sin Hogar En Sevilla 2016* – Patricio, Ajuria & Castro

⁵ *Homelessness: A Silent Killer 2011* - Crisis

⁶ *Economic Evaluation of the Homeless Intermediate Care Pilot Project 2009* - Hendry



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FEANTSA favours the approach advocated in the CSRs for Bulgaria and Lithuania. Here, rather than limiting the CSR to a vague reference to efficiency, the Commission has, respectively, called for “improving access and funding, and health outcomes” and an improvement in “the performance of the healthcare system by strengthening outpatient care, disease prevention and health promotion”. As previously mentioned people who are homeless face obstacles to accessing healthcare which should be specifically addressed. In particular, policy measures which address barriers to outpatient and community care, so as to reduce reliance on emergency departments and inpatient care can deliver better outcomes as well as cost savings over the long term. Whilst the Semester cannot be expected to deal with the specific situation of different vulnerable groups, it would be helpful if the recommendations in relation to healthcare specifically took account of the situation of those facing the greatest access barriers.

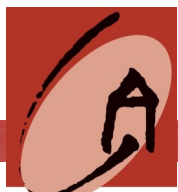
Conclusions and Recommendations

Given its commitment to tackling poverty and social exclusion, the European Union should engage with the reality of growing homelessness and housing exclusion in a majority of Member States.

FEANTSA’s analysis reveals that there has been some attempt to engage with homelessness as an important social problem in the framework of the 2016 Semester. Nonetheless, more detailed, comprehensive and consistent analysis of the homelessness and housing exclusion situation in MS would be required if the Semester were to become a lever for change.

To this end, FEANTSA encourages:

- The European Commission to analyse more completely, using data from national and European level, homelessness and housing exclusion, in the Country Reports. This would help to complete the picture in relation to housing markets and health systems in order to account for the reality of extreme poverty in Europe. The Commission might consider a composite index on housing exclusion.
- The European Commission to consider more the impact that reforms in the health and housing areas might have on (risk of) homelessness and housing exclusion
- The European Commission to consider, where relevant, issuing recommendations on homelessness and housing exclusion in the Semester
- The involvement of organisations working with homeless people at EU and national level as a source of expertise on the social reality of homelessness and housing exclusion in the EU in the context of the Semester.
- The MS to systematically collect data on homelessness and housing exclusion and to report on their policies to address them.
- The European Commission to continue to develop meaningful monitoring, support and coordination of social policies beyond the European Semester. This is particularly relevant in the context of the forthcoming Social Rights Pillar.



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