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2019 Semester: Homelessness and Housing Exclusion on the European Commission's Radar

Summary

This paper reviews the 2019 Semester from the perspective of FEANTSA, the only European organisation working exclusively on homelessness and housing exclusion. It looks at the country reports and Country Specific Recommendations to assess how well homelessness and housing exclusion are tackled.

In the 2019 Semester, FEANTSA found improved analysis of the housing situation in the Member States, including more frequent and detailed attention to homelessness and housing exclusion. For the first time, this fed through to Country Specific Recommendations in two cases. There was also a strong focus on investment, in view of cohesion policy programming for 2021 – 2027. Priorities put forward by the Commission include investing in social and affordable housing, as well as in relevant social and health services. FEANTSA strongly welcomes the fact that housing and homelessness have come onto the Commission's radar. We call on the incoming College of Commissioners to build on this and go further in monitoring and promoting rights-based strategies to tackle homelessness and housing exclusion. Now is the time for decisive efforts to understand and address Europe's growing housing problems.

Background

The European Semester is the annual cycle of economic and social policy coordination in the EU. FEANTSA has been contributing to and analysing the process since its launch in 2010. Each year, the Commission analyses Member States' budgets, macroeconomic stability and structural reform programmes. In May, it issues country-specific recommendations for the next 12-18 months, which are then reviewed and adopted by Council. They constitute the main policy-orientated outcome of the Semester.

The Semester focuses primarily on budgetary discipline and macroeconomic stability. However, attention to social issues including homelessness and housing exclusion has gradually increased over time. Since 2017, the Semester has been put forward as the main mechanism for supporting progress on the European Pillar of Social Rights, including Principle 19 on housing and housing assistance for the homeless.

This year's Semester was the first to be underpinned by the Revised Joint Employment Guidelines adopted in June 2018, including guideline 8 on equal opportunities, social inclusion and combatting poverty, which states that "for those in need or in a vulnerable situation, Member

States should ensure access to adequate social housing or housing assistance. Homelessness should be tackled specifically". The 2019 Semester also focused on investment in view of the 2021 – 2027 MFF with a specific Annex (D) used to signpost priorities for Member States' programming.

FEANTSA's Seven Takeaways in 2019

Housing and homelessness emerged as a solid priority in the 2019 Semester. FEANTSA wholeheartedly welcomes this development, whilst drawing attention to scope to do better in the future. Our main takeaways from 2019 are:

1. The 2019 chapeau Communication that accompanies the Country Specific Recommendations (CSRs) notes that "scarcity of adequate and affordable housing is a growing problem in several Member States". This contrasts with previous years where house prices were mentioned only in terms of financial and economic risk. The Commission's increased attention to whether people can secure and keep a home is welcome in the context of an increasingly urgent housing crisis in much of the EU. The Commission appears to have started considering housing as a right as well as a good.

2. The Country Reports paid more attention to the housing situation of people than in previous years. Homelessness was specifically mentioned in 11 reports (CZ, DK, ES, IE, IT, HU, LV, LT, RO, SK, UK), compared to 8 in 2018 and 5 in 2017. The Irish report stands out, mentioning homelessness 24 times and drawing the conclusion that "the rapidly rising number of homeless people as a result of rent increases and insufficient social housing merits urgent action". Broader housing quality and affordability problems, particularly access for poor people and vulnerable groups were addressed in some depth for countries such as BG, CZ, DE, ES, IE, IT, LT, MT, RO, SK, UK. The Commission emphasised a shortage of social and affordable housing in many MS including BG, BE, CZ, DE, FR, LU. Access to housing for migrants, including asylum seekers and beneficiaries of international protection were highlighted e.g. ES, EL, BE, MT. The lack of access to decent and affordable housing for Roma people was also a key concern e.g. BG, RO, SK. The adequacy of policies addressing homelessness and housing exclusion was also analysed to some degree in several countries. More and better analysis of people's housing situation represents progress in the right direction for the Semester, albeit a long way from systematic monitoring of housing rights.

3. The Country Specific Recommendations (CSRs) focused more on housing issues than in previous years, including calling on MS to take measures to address homelessness and housing exclusion. Homelessness was explicitly mentioned in the preamble to the CSRs of SK and IE, both of which were advised to invest in social and affordable housing to address it. FEANTSA strongly welcomes this development, considering that such recommendations would be justified in more MS. In previous years, homelessness was picked up as a concern in some Country Reports, but this never translated into Recommendations. According to the Commission, 8 MS received a CSR on the housing market (IE, CY, DE, LU, NL, SE, SK, UK), compared to 4 in 2018 (IE, NL, SE, UK). 3 of these were "business as usual" from FEANTSA's perspective; focusing on economic and financial risk related to housing markets - mopping up non-performing loans in the banking sector (CY); reducing debt bias and housing market distortions (NL) and/or inefficiencies (SE). The other 5

were more concerned relevant to the social function of housing. DE, IE, LU, SK and the UK received a recommendation to invest in affordable and social housing.

4. The Commission encouraged Member States to invest structural funds into measures that tackle homelessness and/or housing in 2021 – 2027 period. MS were advised to invest in affordable and social housing, as well as in relevant social and health measures e.g. BE, BG, CZ, ES, EL, IT, LT, LV, RO. In line with the draft ESF+ Regulation, there was a focus on targeting the “most deprived”. MS including LT and SK were advised to invest to “reduce homelessness and improve access to social housing”. FEANTSA welcomes this investment guidance, especially when it is explicit about investing to reduce homelessness. We know that homeless people, some of the most vulnerable in our societies, are often “missed” by more general guidance. We call on the MS to invest the next generation of structural funds to support the fight against homelessness, making use of best practice in the current period.

5. Whilst FEANTSA’s overall assessment of the 2019 Semester is relatively positive, there remains considerable scope to improve the consistency of analysis of homelessness and housing exclusion. Consistency over time is one concern. For example, homelessness was mentioned as a specific cause for concern in France in 2018 but the issue was dropped in 2019, despite the situation remaining critical. Consistency between countries is also a challenge. It is unclear why homelessness is considered serious enough to be mentioned in the CSRs in Ireland and Slovakia but not in other countries where the situation is equally urgent. Portugal and Poland are examples of countries where housing deserves more attention. In the Netherlands, concern about the macroeconomic implications of “distortions” in the housing market is not matched by attention to housing outcomes for people.

Consistency within the country reports is also an issue. Housing is addressed both as a good and a social right and sometimes this leads to incoherence. In France, cuts to housing benefit are described as a savings measure but their social implications are not addressed in any detail. There is also a lack of consistency between the Country Reports and the Recommendations. In the Czech Republic for example, homelessness is highlighted as a serious concern in the Country Report but this does not translate into the CSRs. Overall, fiscal and monetary imperatives continue to override and undermine social objective in the Semester. One major challenge is the political nature of the process, which determines recommendations as much as objective analysis.

6. The social scoreboard remains incomplete from a housing perspective and is unfit for monitoring progress on Priority 19 of the EPSR. The only housing indicator is severe housing deprivation. This misses housing affordability, which could easily be captured through the housing cost overburden rate (EUSILC). The scoreboard is unable to capture the reality of growing homelessness and extreme poverty because it relies entirely on EUSILC, a household survey. A consistent assessment of the housing situation in MS requires urgent action to address these gaps. The 2019 Country Reports indicate that the Commission is able to fill in the housing-related gaps left by the scoreboard to some extent. However, this should happen more

consistently in the future. Further efforts are required to rectify and/or compensate for the housing “blind spot” in the scoreboard.

7. The Commission should, through the Semester but also through other mechanisms for enforcing the Rule of Law, condemn much more strongly policy measures that violate the human dignity and fundamental rights of homeless people. Hungary has changed its constitution to make rough sleeping a criminal offence. Penalties include fines, imprisonment and destruction of property. Hungary’s Country Report states simply that this “does not address the root causes” of the problem and more housing and inclusion measures are needed. As a guardian of fundamental values of the EU, FEANTSA believes that the Commission should be going much further in such cases.

Conclusions

The 2019 Semester shows that homelessness and housing exclusion are rightly receiving more attention at EU level. The main driver for this is probably the stark reality that more and more people are unable to secure and keep a decent home. FEANTSA welcomes strongly the Commission’s efforts to deal with homelessness and housing exclusion better in the Semester. We also warn of the risk that the process just pays lip service to the problem. To deliver on the promise of the EPSR, the Commission should play its full role and ensure proper monitoring and policy coordination to tackle homelessness and housing exclusion.

FEANTSA congratulates the Commission for paying more attention to the housing situation in the 2019 Semester. We sincerely hopes that this can be built upon in the 2020 Semester. FEANTSA is available to work with the Commission and other partners to contribute to the Semester and all other initiatives that can promote progress in the fight against homelessness. If the Semester is to be a genuine tool for implementing priority 19 of the European Pillar of Social Rights, much more thorough and consistent monitoring and policy guidance on homelessness and housing exclusion will be required going forward.

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