

FEANTSA Reaction to the Autumn Package 2021 Homelessness on the Radar for Recovery & Resilience Planning

Context

The Commission published its Autumn Package on the 18th November. This is the second step in the 2021 European Semester cycle, which started in September with the publication of the Annual Sustainable Growth Strategy (ASGS). The ASGS included strategic guidance for Member States in drafting their Recovery and Resilience Plans (RRPs) and set out the relationship between the Recovery and Resilience Facility (RRF) and the Semester. The Autumn package included the Euro area recommendation, Alert Mechanism Report, and proposal for a Joint Employment Report as well as Opinions on euro area Draft Budgetary Plans (DBPs) for 2021.

The context of the COVID19 pandemic and the link to the Recovery Plan have fundamentally changed the Semester – both in terms of content and process. Firstly, the unprecedented 672.5 billion Euros RRF is available to support investment and reforms in MS. This is the first time that the reform agenda underpinning the Semester has involved such an incentive or “carrot”. At the same time, the general escape clause of the Stability and Growth pact means much more fiscal flexibility or less “stick”.

Operationally, the Semester process has largely been rolled into the Recovery Plan. Member States (MS) are encouraged to submit National Reform Programmes and RRP as a single document detailing the reforms and investments that they will undertake. The Commission’s assessments of the RRP will replace the European Semester country reports in 2021. There will be no country-specific recommendations in 2021 for MS having submitted RRP.

Feantsa Takeaways on Headlines on Homelessness & Housing Exclusion

The part of the Autumn Package focused on social issues is the proposal for a Joint Employment Report, which analyses the impact of the COVID-19 pandemic on the employment and social situation in Europe. Homelessness is highlighted as a serious concern. It highlights significant increases in most MS over the past decade, the broadening profile of people affected by homelessness, the emergency measures taken to manage homeless people, and the need to invest in solutions going forward. Such attention to the issue could help MS recognise homelessness as a priority for reforms and investment to be included in their RRP, against the background of the Employment Guidelines.

The Annual Sustainable Growth Strategy (ASGS), published earlier in the Autumn, had already emphasised “fairness” as a key priority, including supporting those hit hardest by the pandemic. In terms of solutions, the Recovery offers the opportunity to “build back better” by

investing more in prevention, rehousing and supportive services to progressively end homelessness. Whilst the attention paid to homelessness in the Joint Employment Report is undoubtedly to be welcomed, it is one of many competing concerns and likely to be overlooked. There is an overwhelming emphasis on the part of the Commission on the digital transition and the Green Deal. The reality is that the most vulnerable are at risk of being “left behind” in the recovery unless concerted efforts are made to address their situations.

The Alert Mechanism Report (AMR) is a centrepiece of the Autumn Package. It screens MS for potential economic imbalances needing policy action. The 2021 AMR focuses on rising housing prices as a driver of growth, the danger of housing market bubbles, and the link between house price overvaluation and debt. From FEANTSA’s perspective, the key issue here is that falling house prices are likely to coincide with worsening affordability, especially for poor and vulnerable people. The Commission does not mention this in the AMR. Overall, the Commission services seem to continue to struggle to strike the balance between seeing housing as a driver of growth and housing as a social right.

In the absence of 2021 Country Specific Recommendations, MS are advised to consider the 2020 CSRs in planning for the Recovery. The 2020 CSRs focused on mitigating social impacts of COVID19 and averting a permanent rise in poverty and inequalities. This includes the need to prevent evictions and address barriers to healthcare for the most vulnerable. Housing issues were underlined for BG, CZ, DK, IE, IT, DE, EL, LU, LT, LV, MT, NL, RO, SE, UK. Homelessness was explicitly highlighted in BG, IE. Overall, homelessness and housing exclusion have been increasingly recognised as priorities in the last rounds of country analysis and recommendations. Housing affordability, the general lack of affordable and social housing, growing homelessness and housing exclusion have been highlighted as challenges for a growing number of MS. The Commission has paid increasing attention to the need to investment in addressing these issues.

Looking Forwards

The main The Semester process is at a crossroads and its strategic importance in the future is unclear. For the time being, the Autumn Package clearly demonstrates that homelessness is on the radar as a priority for social policy at EU-level. Overall, the Commission’s vision for the Recovery seems more focused on growth, employment, the digital transition, and the Green Deal than on social rights. It remains to be seen whether the promise by the EU and the MS to “leave no one behind” will be delivered upon in the Recovery.

FEANTSA and its members will be working over the coming months to ensure that MS take the opportunity of the Recovery to tackle homelessness better. This is a smart and sustainable social investment strategy to deal with an increasingly urgent social crisis. We count on the European Commission to use the action plan on the European Pillar of Social Rights to support this goal, especially given Commissioner Nicolas Schmit’s announcement that he will launch a European Collaboration Platform on Homelessness in 2021.