Homelessness and Housing Exclusion in the EU Social Inclusion Process

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› **Abstract**_ *Despite certain governance and analytical limitations of the EU social inclusion process in dealing with homelessness and housing exclusion, important advances have been made recently in this area. These achievements include the development of enhanced statistical data and indicators, a strengthened political commitment by the EU institutions and member states and new regulations extending the eligibility of EU funding for housing interventions. The elements that facilitated this progress included a better balance between general and thematic approaches within the EU social inclusion process, the role of the PROGRESS programme in channelling academic research into the policy debate, the evidence collected at EU level in the context of social monitoring of the economic crisis and the political agreement at EU level on an overarching policy framework (the active inclusion strategy).*

› **Keywords**_ *Homelessness, Open Method of Co-ordination, Social Exclusion.*

1 This paper reflects the personal views of the author only.

ISSN 2030-2762 / ISSN 2030-3106 online

Introduction

This paper starts by looking at the process that led to the choice of homelessness and housing exclusion (HHE) as the 2009 social inclusion focus theme of the Open Method of Coordination on Social Protection and Social Inclusion (Social OMC). It highlights the main problems in addressing HHE in the European Union policy framework and the ways in which they have been overcome. It then analyses the activities carried out in 2009 and their main outcomes, focusing on the strengths and weaknesses of such a process. Finally, it points at the key factors that could contribute to keeping HHE at the core of EU social policies. This paper has been written on the eve of an important restructuring of the EU governance processes in the context of the new Europe 2020 strategy (European Commission, 2010b), however, its aim is to draw the most important procedural lessons from the OMC in the past ten years.

Homelessness and Housing Exclusion: A Priority for EU Social Policy?

The main instrument for the development and implementation of social policy at EU level is the Social OMC. Since its launch, homelessness has been highlighted as an important cause of concern for policies aimed at tackling poverty and social exclusion (for earlier discussions of the OMC and homelessness, see Spinnewijn, 2009; Frazer, 2009). Homelessness is recognised as one of the most extreme forms of poverty and social exclusion, a severe form of deprivation that cannot be tolerated in wealthy European societies. It is acknowledged that homelessness not only is a manifestation of extreme poverty, but also jeopardises the chances that the individuals have to reintegrate themselves in society, creating a vicious circle (e.g. loss of employment can lead to homelessness that in turns reduces the chances of getting a job).

Despite this, for a long time homelessness remained at the margins of the Social OMC, failing to occupy the central place it deserves. Looking in more detail at the likely reasons for this, it is possible to identify four limitations in relation to the OMC's capacity to deal with homelessness. The first two limitations concern governance and are of a more structural nature, while the other two relate to analytical issues and are of a more contingent nature.

In relation to governance, it is useful to outline here some elements that are essential to an understanding of the relevance of the Social OMC in the field of homelessness. The OMC is mainly an intergovernmental process, based on shared objectives, on a reporting process by member states and on a joint policy assessment by the European Commission and the Council presented in the annual Joint Report

on Social Protection and Social Inclusion. The main 'engine' of this process is the Social Protection Committee (SPC), a treaty-based committee composed of high-level officials from the national social affairs ministries and the Commission, specifically the Directorate-General for Employment, Social Affairs and Equal Opportunities. In other words, the Social OMC is the domain of public administrations responsible for social affairs. However, homelessness is a shared responsibility between different levels of government; in fact, the regional and local levels play a more crucial role than central government in addressing the plight of homelessness in most member states. Furthermore, it is not always the social affairs ministry that has the main responsibility for national policies on HHE. This situation has led member states and the Commission to proceed with caution when dealing with homelessness through an instrument such as the OMC.

Analytical issues also limit the capacity of the Social OMC to deal with HHE. Again, it is useful to recall here the relevant elements of the OMC. The policy evaluation that leads to the joint reports is based on a set of agreed indicators, which are elaborated by the Indicators Sub-Group of the SPC. Policy objectives logically precede the elaboration of indicators – and this was true in the development of the OMC. However, once established, indicators end up giving a more precise content to the broader and more generic policy objectives. Although they simply aim at 'indicating' progress in various fields, to a certain extent the indicators become 'objectives' in their own right. When developing evidence-based policy, evidence often becomes as important as policy (i.e. 'what is measurable' becomes 'what is important').

In order to develop useful indicators, there are two preconditions: an agreed, precise and quantifiable definition of the phenomenon; and robust, timely and comparable data. Homelessness lacks a commonly agreed framework of analysis and a common definition. Arguably, this is not due to a lack of interest in the phenomenon, but to a number of differences in its perception in the different member states. Even more crucially, robust, timely and comparable data at the EU level are also lacking. For example, household surveys represent the best source of data that fulfil all the requirements for developing EU-level indicators. In the social field, the EU Survey on Income and Living Conditions (EU-SILC) and the Labour Force Survey are the main sources of data. However, the sampling framework of such surveys misses out the target population under consideration, namely the homeless. Developing an EU indicator on homelessness that fulfils certain basic requirements[2] remains a challenge that neither policy makers and statistical offices nor academics and civil society stakeholders have managed to solve. The 2011 census offers a unique opportunity to obtain baseline figures on

2 For the characteristics that the OMC indicators should fulfil, see the portfolio of indicators at: http://ec.europa.eu/social/main.jsp?catId=756&langId=en.

homelessness and current efforts to develop homelessness data are concentrated on this exercise. However, a census does not represent the most suitable source of data for the ongoing monitoring of policies.

It is clear that homelessness is a priority issue for EU social policy, however, there are procedural difficulties in dealing with this problem using the Social OMC, which is the current, most important instrument at EU level. The next section will try to assess the real weight of these difficulties and examine how they have been at least partially overcome.

The Social OMC: An Appropriate Framework for Homelessness Policies?

Stakeholders have for a long time felt that the high-level declarations by the Commission and the Council on the importance of homelessness that are enshrined in the annual joint reports are not adequately translated into concrete policy initiatives. However, it can be argued that 2009 was a turning point in the way and the extent to which homelessness is being tackled at EU level. This development has been made possible by the support of NGOs such as FEANTSA in mobilising public authorities and researchers around this theme. The following section will look at recent attempts to address the governance and analytical problems mentioned above.

From the governance point of view, two recent developments can be singled out as factors that have changed the emphasis on homelessness within the Social OMC. First, the reorganisation of the reporting cycle of the OMC. At the onset, reporting was based on an annual cycle, with member states elaborating national action plans on all their social inclusion priorities and policies, to be analysed in a comprehensive joint report. However, a three-year cycle was introduced in 2005, with full reporting every three years and a thematic focus in the two intervening 'light' years. The OMC thematic years represent an opportunity to reach a compromise between a more universalistic approach and a more targeted approach to EU social policy.

The choice of homelessness as a thematic focus for a light year was at first met with a degree of scepticism because of the problems highlighted above. However, it was possible to argue that it was precisely because of these structural problems that the thematic year represented a unique opportunity to deal with homelessness in a more thorough way. In fact, the thematic years create a 'space' where the debate can be enlarged to actors outside the normal circle and where specific expertise can be gathered without the administrative burden of reporting on all the other social priorities at the same time.

The second important policy development is linked to the active inclusion initiative, which was launched in 2006. This initiative aimed at developing a policy framework that would support the integration of the most disadvantaged people into society and into the labour market. The framework involves a coordinated set of policies based on three pillars: adequate income support, inclusive labour markets and access to quality services. The main innovation of this initiative consisted in improved governance and in more effective policy design and implementation through vertical coordination between different levels of government and horizontal coordination between the different policy instruments. The consensus-building process of the initiative resulted in the endorsement of a strong set of common principles and practical guidelines by all three EU institutions.[3] The Social OMC was given the role of monitoring and evaluating the implementation of these principles.

Homeless people are one of the target groups of the active inclusion initiative and social housing and housing support are key elements of the third pillar of the strategy. More crucially, homelessness is a typical policy field where the overall active inclusion approach can bring the most benefits. Homeless people typically suffer from a very wide set of disadvantages, from lack of income to joblessness, lack of housing, poor health and so on; these disadvantages require the integrated approach and the sort of governance promoted by the active inclusion common principles. An important achievement of the initiative was to validate and spread a common language and to disseminate new approaches in order to create a common framework of analysis. It is therefore not an exaggeration to say that the active inclusion initiative 'opened the doors' to a more in-depth analysis of the homelessness challenge and gave legitimacy to the involvement of a broader set of actors within the Social OMC.

Concerning the analytical problems in dealing with homelessness, namely a lack of agreed definition at EU level and of comparable data, two developments succeeded in at least mitigating these problems. The first was the elaboration of the ETHOS typology by the European Observatory on Homelessness and FEANTSA.[4] This elaboration benefited from EU funding from the PROGRESS programme, through the grant agreement with FEANTSA, a study and a transnational project. Without downplaying the efforts and the invaluable expertise of the academics involved, it is also useful to underline the importance of the PROGRESS programme. As opposed to other sources of EU funding for research, PROGRESS is directly managed by the relevant policy directorate-general, the priorities for research are agreed within the SPC and

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3 See Commission Recommendation of 3 October 2008 on the active inclusion of people excluded from the labour market (2008/867/EC; OJ L. 307/11 of 18 November 2008); Council Conclusions of 17 December 2008 on common active inclusion principles to combat poverty more effectively; European Parliament Resolution of 6 May 2009 on the active inclusion of people excluded from the labour market (2008/2335(INI)).

4 See www.feantsa.org/code/en/pg.asp?Page=484.

the projects and studies are managed by the same Commission officials that are in charge of drafting policy documents. So, although ETHOS has not been formally adopted by member states, the vast majority of them recognise its validity and apply at least a modified version of it at national level. In other words, the development of a common framework (ETHOS) within the PROGRESS framework allowed its immediate visibility and policy application.

The second interesting development is linked to the social monitoring of the present economic crisis, a regular exercise that the SPC agreed to perform in order to assess the consequences of the crisis. The limitations of the more traditional data sources, such as EU-SILC, in providing timely information on the crisis are quite self-evident. In order to improve the understanding of such an urgent and unforeseen priority, the SPC agreed to collect from member states, through a questionnaire, national data from different sources. In other words, the constraint of having comparable data was relaxed and an important set of national data started to be used at EU level. Among this data, much concerns homelessness-related issues, for example the number of evictions, defaults in mortgage repayments and housing loans more broadly, and arrears in payments for utility bills.[5]

When discussing the 2009 work programme, a number of elements came together: the opportunity to use a light year for a more in-depth analysis of homelessness, the common language and an agreed policy framework represented by the active inclusion strategy, the support of PROGRESS-funded activities for a methodological framework of analysis and a growing set of data on housing exclusion (also confirming its importance in the context of the economic crisis). It can therefore be argued that, despite its limitations when addressing issues such as homelessness, the Social OMC still offers scope for discussion in this policy area.

The Social OMC as a Catalyst for Policy Developments

The 2009 thematic year on homelessness involved the mobilisation of a wide range of resources as part of its core activities or as complementary ones. These activities can be grouped in terms of statistics and research, and policy messages and EU funding.

Statistics and research

Although an indicator on homelessness remains elusive, significant results have been achieved in the field of housing exclusion. In fact, it is more correct to say that although we have not succeeded in developing robust and harmonised data on

5 See the 2009 updated joint assessment by the SPC and the Commission of the social impact of the economic crisis and of policy responses and the updated 2009 report (doc. 10133/1/09 REV 1).

rooflessness and houselessness, important progress has been made in the fields of insecure housing (at least in terms of housing cost overburden) and inadequate housing (in terms of overcrowding and housing deprivation). The development of three indicators and context information on housing costs and housing deprivation required a significant joint effort on behalf of the Indicators Sub-Group and Eurostat, together with the national statistical offices. The key issues to be addressed ranged from the definitional (e.g. what threshold constitutes unsustainable housing costs, what combination of household and accommodation characteristics result in overcrowding) to the methodological (e.g. how to make the data on housing allowances comparable across different social protection systems).

The set of indicators elaborated on housing costs and housing deprivation is by no way perfect and further development work will be needed. But it is not an exaggeration to say that this was an important breakthrough. For the first time there is a rather complete and comparable picture at EU level on these dimensions and an available set of data, something that key stakeholders have demanded for several years. Furthermore, the fact that these indicators have been approved by the SPC and included in the set of indicators used to monitor the Social OMC's objectives, implies that Eurostat is committed to producing updated figures on an annual basis and that these figures will be presented and analysed in the future joint reports.

The analysis carried out for the Commission by the Social Situation Observatory constitutes another important output of the 2009 thematic year. This analysis has been published in the 2009 social situation report (European Commission, 2009), which includes a detailed section on HHE. The analysis is based on the 2007 EU-SILC ad hoc module on housing, on further analysis of the core EU-SILC, data from the Household Budget Survey and financial data on housing lending.

The PROGRESS programme supported a series of activities, including a study on housing exclusion, four transnational projects, two partnership agreements with FEANTSA and EUROCITIES – which runs two working groups on homelessness and on housing – and one member states' peer review on 'counting the homeless – improving the basis for planning assistance'.[6]

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6 The study, coordinated by the University of York, is entitled 'Housing Exclusion: Welfare Policies, Housing Provision and Labour Markets'. The mutual learning projects are: MPHASIS: mutual progress on homelessness through advancing and strengthening information systems; BUILDING INCLUSION – access to housing and inclusion of immigrant people in Europe; Connections: organisational approaches to the complexities of multiple deprivation at a city level; and European cities against child poverty. The last two, even if they do not specifically concern HHE, have a strong focus in this area.

Policy messages and EU funding

The main basis for this work was a detailed questionnaire sent to member states about their national and subnational policies on HHE. The responses to this questionnaire were analysed by the EU Network of Independent Experts on Social Inclusion, which produced national and European reports (Frazer and Marlier, 2009), and by the Commission services. This analysis also benefited from the statistical data and the project results described above. The main output of this process was the joint report (European Commission, 2010a) containing the key policy messages, its supporting document and country fiches.

One of the key messages of the joint report highlights the importance of HHE (European Commission, 2010a, p.3):

> The crisis has aggravated poverty in its multiple aspects, for instance housing exclusion. Over the last decade, affordability, homelessness, social and housing polarisation and new forms of housing deprivation have been an increasing concern for public policy, which in this field often lacks adequate information and evaluation systems. *Integrated strategies to address housing exclusion and homelessness have an important role to play in post-crisis policies, with a view to build cohesive and environmentally sustainable societies.*

Although the Social OMC process cannot issue recommendations, the policy messages agreed by the Commission and the Council represent a strong political commitment by member states and the Commission. In particular, the joint report underlines the following points:

- National or local strategies are essential to raise awareness, improve policy coordination and implementation, and identify financial resources.
- The most successful strategies in place display effective governance with strong cooperation between all actors involved.
- Strategies are generally made more effective with targets.
- Accurate and consistent data on homelessness is still lacking in most member states and this constitutes one of the main obstacles for the development of robust, evidence-based policies.
- The multiple causes of HHE are often compounded and integrated policies, in line with the active inclusion principles, are needed.
- Social and public housing are often the main solution for HHE, but excess demand is widespread and the quality of housing stocks remains a challenge. In this context, the EU Structural Funds, in particular the European Regional Development Fund (ERDF), could play an important role in convergence regions.

In other words, the conclusions of the 2010 joint report point to the need for comprehensive and integrated homelessness strategies strengthened by robust data and quantified targets. The implementation of these conclusions, together with an enhanced role for public and social housing in the fight against HHE, would constitute in themselves important, concrete steps forward.

Concerning the ERDF, it should be noted that two important modifications to the ERDF regulation recently extended its eligibility to energy efficiency and renewable energy investments in housing in order to support social cohesion, and to housing intervention in favour of marginalised communities.[7] Although these legislative reforms are not a direct consequence of the Social OMC process, it can be argued that the political agreement it generated represented an important factor in promoting these reforms and was instrumental in bringing them to the attention of key stakeholders in the social policy area.

Conclusion

Despite certain governance and analytical limitations of the EU social inclusion process in dealing with HHE, important advances have been made recently in this area. These achievements include the development of enhanced statistical data and indicators, a strengthened political commitment by the EU institutions and member states and new regulations extending the eligibility of EU funding for housing interventions. The elements that facilitated this progress included a better balance between general and thematic approaches within the EU social inclusion process, the role of the PROGRESS programme in channelling academic research into the policy debate, the evidence collected at EU level in the context of social monitoring of the economic crisis and the political agreement at EU level on an overarching policy framework (the active inclusion strategy).

These advances by the Social OMC have been complemented and supported by the political impetus of the other EU institutions and bodies, such as the European Parliament with its 2008 declaration on ending street homelessness by 2015 and the Committee of the Regions and its 2010 opinion on combating homelessness. Social NGOs such as FEANTSA also played a crucial role in increasing the visibility of the HHE plight at EU level and in elaborating responses to it. The key challenge

7 See Regulation (EC) No. 397/2009 of the European Parliament and of the Council of 6 May 2009 amending Regulation (EC) No. 1080/2006 on the European Regional Development Fund as regards the eligibility of energy efficiency and renewable energy investments in housing; and Regulation (EU) No. 437/2010 of the European Parliament and of the Council of 19 May 2010 amending Regulation (EC) No. 1080/2006 on the European Regional Development Fund as regards the eligibility of housing interventions in favour of marginalised communities.

ahead is to sustain these efforts in the longer term and to maintain the political momentum in order to move the agenda further and make a stronger contribution to the fight against HHE. The main objective in 2010 has been to disseminate the results achieved, including through a high-level Commission conference, and to consolidate them with the consensus conference under the Belgian presidency. But more opportunities lie ahead.

In March 2010 the Commission put forward the new Europe 2020 strategy (European Commission, 2010b), which was later endorsed by the European Council. This strategy contains two important steps forward. First, the fight against poverty and social exclusion has been put once again at the centre of the overall European strategy. Second, a new tool has been announced, the European Platform against Poverty and Social Exclusion. The main rationale of the platform is arguably that of going beyond the traditional scope of the EU social inclusion process to coordinate all policy areas that can have an impact on poverty and social exclusion. More specifically, policies in different fields (such as the environment, energy, internal market, health, competition, macro-economic surveillance and territorial cohesion) all play a crucial role in the field of HHE and they will all be mobilised to tackle bottlenecks and achieve the broader EU target to promote social inclusion in particular through the reduction of poverty. If the platform succeeds in making advances towards a better horizontal policy coordination and improved governance engaging all key stakeholders, the developments described in this paper and the legacy of the 2010 European Year for Combating Poverty and Social Exclusion will be likely to have lasting and concrete effects.

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