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FEANTSA response to the Green Paper "Modernising labour law to meet the challenges of the 21st century"

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Summary

FEANTSA, the European Federation of National Organisations working with People who are **Homeless**, closely monitors European employment policies and welcomes a debate at EU level on effective measures to tackle the segmentation of European labour markets and to help very vulnerable groups in society to move towards decent employment.

Employment which is adapted to the needs and aspirations of people experiencing homelessness plays a key role in every effective strategy to tackle homelessness and housing exclusion. People who are homeless also attribute a high importance to work and their views and perspective are a good and often revealing reference point to discuss current employment policies at EU level.

This document is FEANTSA's response to the European Commission Green Paper "Modernising Labour Law to meet the Challenges of the 21st Century".

FEANTSA recommendations

In response to the Green Paper, FEANTSA calls on the European Commission to promote labour law reforms which will be effective in fighting the segmentation of European labour markets and help the people furthest away from the labour market to move towards employment and a socially rewarding activity.

To reach these objectives labour law reform has to be:

- Adapted to the different national contexts of EU Member States;
- Integrated into a comprehensive policy framework;
- And focused on ensuring access to occupational activities, supported employment and mainstream employment for the most disadvantaged groups in society, including people experiencing homelessness.

FEANTSA encourages the European Commission to develop a framework for "flexicurity" that does not artificially separate but adequately balances the flexibility and security elements for all, including for people experiencing homelessness.

Security for people who are homeless should include

- Equal access to a high level of social protection irrespective of the employment status of the person;
- Guaranteed minimum income in case of economic inactivity, unemployment or participation in supported employment in a way that the overall income is above the poverty line;
- Adequate level of minimum wage for all workers and its correct implementation. For workers with part time employment, there should be the possibility to combine minimum income and salary.

Flexibility for people who are homeless should include

- Personalised support from properly funded services that respond to the needs and aspirations of each homeless individual;
- Companies and social enterprises that flexibly adapt work contracts, working time, job responsibilities, working environment and duration of the contract according to needs and competencies of the worker who is homeless;
- The provision of a wide range of occupational activities that constitute a first step into supported employment and/or mainstream employment.



Who is FEANTSA?

FEANTSA is the European Federation of National Organisations working with People who are **Homeless**. FEANTSA's mission is to be and create the most effective means of ending homelessness in the European Union.

FEANTSA members represent more than 100 homelessness organisations which provide a wide range of services to people who are homeless in almost 30 European countries. These services include job search, job-placements and in-work support as well as training and capacity-building schemes aimed for improving the employability of people experiencing homelessness. FEANTSA is funded by the European Commission and the only European federation that exclusively focuses on homelessness and housing exclusion.

FEANTSA has developed the **European Typology on Homelessness and Housing Exclusion** (ETHOS). ETHOS defines a person who is homeless as an individual who is or moves between the following housing situations: roofless, houseless, living in insecure housing and living in inadequate housing. ¹

Employment is one of the key themes of FEANTSA's work. In 2007 FEANTSA's Annual Theme is "Multiple barriers, multiple solutions: Inclusion into and through employment for people who are homeless in Europe".

Through regular exchange in the context of its expert group on employment, FEANTSA has deepened its understanding of the multiple obstacles to employment of people experiencing homelessness as well as effective approaches to help this very vulnerable group moving towards employment.

FEANTSA has developed a set of **key principles in relation to employment and homelessness**² that are based on this long-term expertise. These principles inform every policy document that FEANTSA issues in the area of employment, including the following FEANTSA response to the Commission Green Paper on Labour Law.

FEANTSA key principles on employment and homelessness

- People who are homeless have the right to work
 - Work and employment play a fundamental role for the social integration and personal fulfilment of an individual as well as for the social cohesion and economy of society. For people without a functioning social network or adequate support in place, the lack or loss of employment is often a trigger factor that leads to homelessness. The re-integration into occupational activities and employment is key for bringing people who are homeless on a pathway out of poverty and social exclusion. It helps establishing a social network, gaining experience, improving skills, developing self esteem and moving towards financial independence.
- Occupational activities and employment are a realistic option for people who are homeless. Most people who are homeless want to work and there is ample evidence that with the right support framework in place, a reintegration into employment or related activities is possible. Service providers for people who are homeless and social enterprises often play a crucial role in helping people who are homeless to connect with the labour market.

¹ For more information on ETHOS, see: http://www.feantsa.org/code/en/pg.asp?Page=484

² The key principles are discussed in more detail in: Butcher, Linda (2006): Background Paper - Multiple Barriers, Multiple Efforts: Employment Barriers and Solutions for homeless individuals, OSW/FEANTSA. http://www.feantsa.org/files/employment_wg/Final%20policy%20statements%20and%20documents/Mutliple%20barriers, %20multiple%20efforts FEANTSA OSW backgroundpaper August2006 final.pdf



The focus must be on improving employability and skills

Employment for people who are homeless is more than working on the mainstream labour market or in the social economy. Employment for this vulnerable group is closely linked to all kinds of activities that will help to improve the employability of the individual, such as supported employment or life skills training. Improving employability is the development of skills and competencies that allow a person to connect with the labour market as well as a better recognition of non certified skills and competencies.

• People who are homeless need properly funded services that address their multiple barriers to employment in a holistic way

Support in relation to housing has to be linked to employment and training, physical and mental health, social networks/family and other related areas. This requires a well functioning coordination of services, within services and across different sectors.

• People who are homeless need personalised support and flexibility from companies, social enterprises and services

There is no all-purpose remedy for people who are homeless. A personalised approach is needed that includes an initial as well as ongoing assessment of the needs and aspirations of the person as well as ongoing support after a work placement. Many people experiencing homelessness may require extra time and support before being able to take up and sustain employment or to participate in occupational activities. Flexibility is needed to change track, work on one's own pace and also "fail" sometimes.

• Employment policies for people who are homeless have to create real incentives Badly structured benefits may constitute a barrier to employment for people who are homeless. Taking up employment has to pay in real terms for those who are ready to do so. Maintaining entitlements for social benefits for an initial period after a job placement may therefore be essential for job retention.

• Employment policies for people who are homeless must be integrated into a comprehensive homelessness strategy

There is a close relationship between employment, social and housing policies. Having a secured level of decent income as well as access to affordable and adequate housing and healthcare are often preconditions to gain and sustain employment.

• Employment services for people who are homeless have to be backed up by sufficient and long-term funding

Adequate funding is necessary in order to ensure the effectiveness of services. There is evidence that properly-funded services which are tailored for the needs of people who are homeless will be less costly in the long-term than mainstream ad-hoc interventions.

• People who are homeless must have access to clear and consistent information on rights, entitlements and existing support services

Many people who are homeless find it hard to access information on the range of services available to them. Many find it even harder to gain accurate and consistent advice on their benefits or tax entitlements, or their right to engage in activities that are related to employment. Clear, consistent and accurate information needs to be easily available and kept up to date.



1. Introduction

FEANTSA closely monitors European employment policies. FEANTSA welcomes a debate at EU level on effective measures to tackle the segmentation of European labour markets and to help very vulnerable groups in society to move towards decent employment.

FEANTSA is convinced that employment which is adapted to the needs and aspirations of homeless people plays a key role in every effective strategy to tackle homelessness and housing exclusion. People who are homeless also attribute a high importance to work and their views and perspective is a good and often revealing reference point to discuss current developments in relation to employment at EU level.

People who are homeless are in many ways affected by the topics discussed in the Commission Green Paper "Modernising Labour Law to meet the Challenges of the 21st Century".

Many people who are homeless belong to the "outsiders" of the labour market and face multiple barriers in accessing employment. Many workers who are homeless are employed in very precarious conditions and/or employed on the alternative labour market and regularly experience exploitation. Some homeless workers have standard contracts and still face difficulties in accessing adequate and affordable accommodation.

The questionnaire of the Green Paper is very concise but wide ranging in its scope. FEANTSA felt that by directly following this questionnaire, the specific challenges of people experiencing homelessness might get sidelined in this important debate.

FEANTSA therefore decided to submit a response that refers to the topics raised in the Green Paper but focuses on the perspective of people experiencing homelessness, including workers who face difficulties in securing adequate accommodation.

2. Risks of a labour law reform focused on flexibility

FEANTSA is very concerned by the strong focus on flexibility in the Green Paper. The Green Paper argues that stringent employment protection legislation would reduce the dynamism of European labour markets. "Flexible labour law" is presented as a useful instrument to foster the adaptability of workers and enterprises and to fight against the further segmentation of European labour markets.

While the Green Paper refers to the need for a high level of social protection for all workers, it does not describe in more detail how labour law reform will be integrated in the broader concept of "flexicurity". There is a risk that an artificial separation between the flexibility and security elements of the "flexicurity" approach leads to policy recommendations which will not be effective in reaching the overall objectives such as full employment and social cohesion.

2.1. Reforms not adapted to the national context

Standards of employment protection legislation differ between Member States. A general call for "more flexibility" as presented in the Green Paper will have different impacts and might be interpreted very differently in the respective Member States. While it seems useful to discuss the role of flexible employment protection legislation in countries like Denmark which already ensure a high level of social protection for workers, such a debate seems less relevant in countries where social protection is less developed and labour markets are already highly flexible, such as Italy or Ireland. To be effective labour law reform needs to be adapted to the different national contexts and linked to the broader policy framework of "flexicurity".



A labour law reform that focuses on flexibility will have a negative impact on workers, including workers who are homeless. At the same time it will have no positive impact on people who are homeless and unemployed and homeless workers in very precarious employment.

2.2. Higher vulnerability to homelessness and housing exclusion for all workers

Less employment protection legislation first of all means less protection and an increase in vulnerability for all workers. Shorter dismissal periods reduce the options for workers to prepare for the time of unemployment and to look for new employment opportunities. Less job security also affects the person's possibilities to make long-term plans; to plan a family, to pay the mortgage of a house etc.

Due to the important social and economic function of employment, unstable employment and unemployment generally have an impact on other areas that are closely related to the well being of a person, such as housing and health. The FEANTSA Statistics Report 2005 shows that for people without sufficient social protection and a functioning social network, unstable employment and unemployment are important factors on a person's pathway into homelessness.³

2.3. Negative impact on people who are homeless with standard employment contracts

For workers who are homeless and therefore already in a very vulnerable position, less job security constitutes an additional stress and further reduces the person's chances to sustain employment and secure adequate accommodation.

People who are homeless also have difficulties in accessing unemployment benefits. For a person living in a car or a woman living in a shelter for victims of domestic violence, for example, the lack of a permanent address is often an important bureaucratic hurdle to access unemployment benefits. Due to their difficult living circumstances, people who are homeless are also much less likely to access vocational training or to be taken into account by mainstream employment services.

2.4. No positive impact on people who are homeless working in precarious employment

Labour law reform focused on flexibility will have no positive impact on people who are homeless and employed in precarious employment or on the alternative labour market. This group already works under very difficult conditions and highly flexible contracts. As pointed out in the Green Paper, people with these contracts often get trapped in a succession of short-term, low quality jobs and do not have the same level of social protection than workers in standard employment.

FEANTSA strongly questions the argument that these forms of contracts will facilitate the transition into mainstream employment for very vulnerable groups. Instead of acting as a possible pathway into standard employment, these contracts tend to trap people in a situation of poverty and exclusion and contribute to their disempowerment.

Although it is true that most people who are homeless have accessed employment through part-time, temporary or seasonal contracts, the transition into mainstream employment has only been successful because of the right support framework in place. This included support in accessing housing.

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³ Edgar, Bill; Meert, Henk (2006): Fourth Review of Statistics on Homelessness in Europe 2005, The ETHOS Definition of Homelessness, FEANTSA European Observatory on Homelessness, p.12. http://www.feantsa.org/files/transnational_reports/EN_Stats_2005.pdf



Without the necessary holistic support, even programmes that aim to specifically target very vulnerable groups will not be effective.

In Italy, for example, some people who are homeless are working under the so-called "borsa lavoro" contracts. The "borsa lavoro" aims to be a "first step into employment" and offers socially disadvantaged groups the possibility to work for several months in a company. Despite its good intention, people working under these contracts remain in a vulnerable situation. The salary is paid by the Social Service and the companies have no obligation to employ the person at the end. Workers with these contracts have the same obligations as the other workers but not the same rights. They have no right to maternity or parental leave, no paid holidays and only pay a very small amount of pension contributions. The maximum wage for a person working full-time under these contracts is 500 euros, which is significantly lower than the salary of a worker with a standard work contract.

2.5. No positive impact on people who are homeless and unemployed

People experiencing homelessness who are unemployed will also not benefit from a more flexible employment protection legislation. More flexibility regarding dismissal periods or working time will not encourage employers to employ very vulnerable groups such as people living on the streets or people in homeless shelters. For people who are homeless, it is not the lack of employment opportunities on the mainstream labour market that is the main barrier for gaining employment.

More important obstacles for people experiencing homelessness concern their **housing situation**. In a survey conducted by FEANTSA member organisation Off the Streets and into Work (OSW), a quarter (24%) of respondents reported that the main barrier to employment related to housing issues.⁴

- Without a permanent address it is more difficult to open a bank account and to register with employment and/or social services.
- Inflexible opening hours of hostel accommodation make it difficult for the residents to do night shifts or shift work in general.
- Living in extreme overcrowding or in the noisy living surroundings of a shelter make it difficult to concentrate on job search, to write applications, prepare for job interviews and to follow vocational training courses.

Other barriers to employment are linked to the **educational background and employment history of the people**. People who are homeless often lack the qualifications corresponding to current job opportunities. Many have been absent from a working environment for a very long time and need support in accessing occupational activities and employment. It is important to recognise the non certified skills and competences of the people in order to compensate for their lack of formal education.

People who are homeless also face a strong **stigmatisation and discrimination** from society. Employers tend to refuse a person if they know that he/she is homeless or has been homeless.

Obstacles to employment for people who are homeless also relate to their **hygienic and health situation.** Living in the streets makes it difficult to ensure even a very basic standard of hygiene and clean clothes. Sleeping rough or living in substandard housing like caravans affects the health situation of a person. As the latest FEANTSA European report highlights, among people who are

⁴ Singh, Peter (2005): No home, No job – moving on from transitional spaces, OSW. http://www.osw.org.uk/librarydocs/No_Home_No_Job.pdf



roofless and houseless, one often finds a cumulation of health problems that have become very severe and add up to a high aggregate of vulnerability across a range of areas. ⁵

2.6. Priorities for an effective labour law reform

The examples show that for most people who are homeless, greater flexibility of labour law will have no impact on bringing people who are homeless closer to the mainstream labour market. Without the right balance between flexibility and security, labour law reform could only end up putting more excluded individuals into the ranks of the "working poor" and increase their vulnerability to homelessness.

FEANTSA believes that labour will only be effective if it is adapted to the national context, integrated in a policy framework that ensures a high level of social protection and focuses on helping the most excluded groups in society to move towards employment.

3. Make "flexicurity" work for people who are homeless

FEANTSA highlights the need to integrate labour law reform in a broader policy framework that ensures a high level of social protection for all and includes passive as well as active labour market policies. These measures are vital in order to help socially disadvantaged groups moving towards occupational activities and employment.

"Flexicurity" could be a useful framework to promote the labour market reintegration of vulnerable groups. However, it is very important to better understand and define what kind of flexibility and what kind of security is effective in creating an inclusive labour market and social cohesion.

3.1. Ensuring effective security for people who are homeless

People who are homeless often need several attempts to reintegrate into stable employment. FEANTSA agrees that for this group a high level of social protection in case of unemployment is more important than a system that aims to ensure security for keeping a specific job.

However, FEANTSA misses the recognition in the Green Paper that in many countries and for certain highly flexible sectors in all EU Member States, there is rather a need for more security than flexibility in order to ensure the right balance of "flexicurity".

3.1.1. A high level of social protection

For homeless people "outside" the labour market or working in precarious employment and in the alternative economy, it is a major problem that most of social security rights are reserved to workers with standard employment contracts. Many people who are homeless do not have access to unemployment benefits, maternity or parental leave and do not receive entitlements under the pension scheme.

People who are homeless, and in particular extremely vulnerable groups such as rough sleepers, also face difficulties in accessing healthcare. Although all EU countries have made provisions for vulnerable groups of the national population to access healthcare, for free, or at minimum cost, the

⁵ FEANTSA European Report 2006: The Right to Health is a Human Right. Ensuring Access to Health for People who are Homeless

 $[\]underline{\text{http://www.feantsa.org/files/Health_Annual_Theme/Annual_theme_documents/European_report/EN_Annual_theme_repo$



FEANTSA European Report 2006 on Health and Homelessness⁶ clearly shows that entitlements that exist in theory, or on paper, simply do not correspond to the very real difficulties people who are homeless face when seeking healthcare. In many countries, homeless services help people to get their administrative requirements and obligations in order, but access still remains problematic.

An effective "flexicurity" system therefore has to ensure a high level of social protection for all, irrespective of their employment status.

3.1.2. Minimum income

For people experiencing homelessness who are not ready to gain mainstream employment immediately, "flexicurity" has to ensure an adequate level of minimum income. This income should cover all fundamental needs of a person, including adequate housing, and allow the individual to actively participate in society.

There should be the possibility to combine minimum income with a possible income through work. Many people who are homeless gain employment through part time, short-term contracts in supported employment which are adapted to the person's specific needs. Maintaining the minimum income for an initial period after a job placement is often very important to create an incentive for people who are homeless to take up work and to contribute to job retention.

Receiving minimum income is the fundamental right of every person in need to live a life in dignity and should not be made conditional upon the participation in training or work programmes.

3.1.3. Adequate level of minimum wage

Defining an adequate level of minimum wage as well as fostering its implementation are important elements to ensure security and prevent the exploitation of vulnerable workers, including workers who are homeless. An adequate level of minimum wage is particularly important for people who are homeless as they are generally not represented in Trade Unions. This makes it difficult to reflect the perspective of people who are homeless in collective agreements.

3.2. Ensuring effective flexibility for people who are homeless

People who are homeless need flexibility from services, social enterprises and companies in order to gain employment. Work integration programmes for people who are homeless have to respond to the aspirations of the individual and his/her specific support needs.

3.2.1. Flexibility of support

People who are homeless often struggle with multiple problem and need personalised support that address their barriers to employment in a holistic manner.

To participate in occupational activities or employment, they need support inter alia to/with

- access relevant information about employment, training opportunities and entitlements;
- write applications and prepare job interviews;
- adapt to the working environment after a long absence from the labour market;
- change track after a first job placement has failed;
- open a bank account;
- having a postal or electronic address;

⁶ FEANTSA European Report 2006: The Right to Health is a Human Right. Ensuring Access to Health for People who are Homeless.

 $[\]frac{http://www.feantsa.org/files/Health\ Annual\ Theme/Annual\ theme\ documents/European\ report/EN\ Annual\ theme\ report}{t\ 2006\ Health.pdf}$



- administrative procedures.

3.2.2. Flexibility of companies and social enterprises

Not all people who are homeless are ready to gain full-time, mainstream employment. Employment with ongoing financial, social and training support is often a more realistic option for people who are homeless. This requires flexibility from the employer in relation to the

- **Work contract**: It may be necessary to integrate special clauses into the standard work contract.
- **Working time**: In the beginning, many people who are homeless are only able to work for several hours in the week and may require a possible replacement in case of no-show or being late.
- **Job description**: The job description has to correspond to the skills and competencies of the individual and offer the possibility to further develop these.
- **Working environment:** For some people who are homeless it may be necessary to adapt the working place according to specific requirements.
- **Duration of the contract:** Many contracts for supported employment are only short term. For people with multiple support needs there should be the possibility to have longer-term contracts that offer more stability for the person.

In many Member States, the **social economy**, including social enterprises, cooperatives, mutual societies and foundations, plays a key role in the area of employment for people who are homeless. Social economy employers offer job opportunities that provide the necessary flexibility and support. There should be a better recognition of the role of the social economy in current European debates in relation to employment for the people furthest away from the labour market.

3.2.3. Flexibility of training and skills programmes

Homeless people who are not yet ready to gain employment (e.g. due to substance abuse problems) need flexible and properly funded training and skills programmes that will help them to develop their employability.

Although a mainstream learning provider can adapt to a certain extent to accommodate learners' support needs, it remains an unsuitable environment for some learners. Many organisations that provide services for people who are homeless have developed - often together with service users – life skills and meaningful occupation programmes for this group. In these programmes people who are homeless acquire essential skills and competencies and gain a positive self-image and self-esteem.

These forms of occupational activities are crucial for people who are homeless to move a first step "from the street and into work" and should therefore constitute a integral part of a "flexicurity" system that aims to be effective in helping people who are homeless moving towards employment.

4. Self-employment for people who are homeless

The Green Paper refers to self-employment as a possible solution to gain employment and respond to economic challenges. FEANTSA stresses that forms of self-employment which put a lot of responsibility on the individual to take care of his/her social protection are usually not a realistic and effective option for people who are homeless or who have been homeless.

⁷ Barbara Luckhurst (2006): A step on the way: Pre vocational qualifications in Construction and Hospitality for Homeless Learners, OCN London Region. http://www.osw.org.uk/librarydocs/A_Step_on_the_Way.pdf



However, there are examples of innovative projects that aim to support people with experience of homelessness to move from unemployment to self-employment.⁸ In this case the participants receive comprehensive training in areas such as arts or research and are being trained in business, enterprise and management skills. The success of these programmes usually depends on a long-term support for its participants.

5. FEANTSA recommendations

FEANTSA calls on the European Commission to promote labour law reforms which will be effective in fighting the segmentation of European labour markets and help the people furthest away from the labour market moving towards employment and a socially rewarding activity.

Labour law reform will only reach these objectives if it is:

- Adapted to the different national contexts of EU Member States,
- Integrated into a comprehensive policy framework;
- And focuses on ensuring access to occupational activities, supported employment and mainstream employment for the most disadvantaged groups in society, including people experiencing homelessness.

FEANTSA encourages the European Commission to develop a flexicurity framework that does not artificially separate but adequately balances the flexibility and security elements for all, including for people experiencing homelessness.

Security for people who are homeless should include

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Flexibility for people who are homeless should include

- Personalised support from properly funded services that respond to the needs and aspirations of each homeless individual;
- Companies and social enterprises that adapt work contracts, working time, job responsibilities, working environment and duration of the contract according to needs and competencies of the homeless person;
- The provision of a wide range of occupational activities that constitute the first step on a pathway into supported and/or mainstream employment.

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⁸ See for example Groundswell project "Enterprising Solutions" in the UK. http://www.osw.org.uk/services/serviceresults.asp?rqsID=83.