

**11<sup>th</sup> European meeting of People Experiencing Poverty:  
"Homelessness and Housing Rights in the context of the Crisis"**

**Palais d'Egmont, Brussels, 10 May 2012, 09:00**

**Speech**

Ladies and Gentlemen,

I believe this is an extremely important meeting at a very critical time. This is a decisive week in Europe; these assemblies have always been very important and I want to congratulate EAPN - and on this occasion, since homeless is also our focus, Feantsa - for preparing these meetings and bringing together people who experience poverty in many European countries.

I think this week in particular, the situation is different. In the past week we have seen elections in several European countries: presidential elections, parliamentary elections, municipal elections; all pointing in the same direction.

Europe has to change course. We cannot continue with wholesale austerity policies; we have to find a much smarter way of fiscal consolidation. This is the most important message today.

We have to discuss many details of social policies and how we fight poverty on the EU level, within the Member States and at local government level. But we have absolutely no chance if European economic policies cannot become more balanced and this is the time to say it very loudly.

That is why your red card should not only be visible in this room, it is very important that you go out and show it to all other institutions, all other stakeholders, all other participants in this discussion.

We developed the Europe 2020 Strategy two years ago. As you know very well, we have a target to lift at least 20 million people out of poverty and social exclusion by 2020. This is a timeframe of about 10 years starting from 2010.

Two years ago when these discussions took place with many colleagues present we often received the criticism that these targets and objectives were not sufficiently ambitious; we wanted to present ambitious and realistic targets.

Today what we hear is that they are not really realistic, it's too ambitious. I would say they are not realistic if European economic policies cannot change course, if we do not restore opportunities for economic growth in the countries of the European periphery, especially in the Southern countries - in countries like Ireland, Greece and Portugal in particular, as they implement adjustment programmes in coordination with the so-called "Troika".

It is very important that everyone takes part; as the head of the IMF, Christine Lagarde, said earlier this week; this becomes a European disaster when we are faced with such record high levels of unemployment. On average we have record high unemployment in the EU, especially inside the euro area, but the situation in Europe is very diverse.

It is not true that unemployment is increasing everywhere. Luckily there are some countries - and congratulations to Denmark - where the situation has been improving, other countries, mainly in the North, have an improving performance in terms of employment and social cohesion. But Europe has become very divided. There is a gap between countries that perform relatively well and those countries that really are facing the risk of social disintegration.

Migration away from countries like Greece, Ireland and Portugal - which is not only migration to other European countries but also out of Europe - is really a warning sign that we will face long term consequences in many areas: in terms not only of the social conditions but also the demographic situation. Indeed, the overall economic potential of those countries is at risk if the situation does not change quickly.

And that is why we have to emphasise that the token change in rhetoric about economic growth is not in itself sufficient to help. We have to do more for investment and in particular find ways to help the countries on the periphery, the countries of the South where the situation has been worsening.

That is why the key question is whether solidarity on a European level can be strengthened or not. We have a deficit of solidarity in Europe. It has to be

strengthened within countries for example through better taxation and finding more fair ways of taxation in order to continue funding social services for the needy. But we also need to restore and strengthen solidarity on the European level. Otherwise we will certainly fail to meet our long-term objectives of reducing unemployment and fighting poverty.

In the first European Semester but more particularly in the second one, the European Commission has been calling for a response to the social consequences of the financial crisis. We have encouraged and instructed Member States to protect vulnerable groups in society. In some countries, like Bulgaria and Estonia, we have very explicitly called for them to do more against poverty and social exclusion.

And I agree with those who said action is needed. Indeed, it is very important to change the way of operating and that is what the Commission has already been doing in the area of youth unemployment.

The Commission has very limited capacity to intervene directly. Our work in the area of social policies is mainly supportive, to provide orientation for the Member States and regional governments who have primary responsibility and who are in charge of the institutions that provide social services.

But in the areas where we can intervene, we are sending action teams to the eight Member States where the youth unemployment rate is the highest and threatened by major social, and sometimes political, dislocation.

And indeed we have to look at the question of homelessness more seriously than before. In 2012, ten Member States addressed homelessness as part of their National Reform Programmes and the Commission is now analysing these national programmes. In the case of homelessness, just as for the fight against poverty and social exclusion in general, the role of Europe is to support and guide the national, regional and local homelessness strategies for which the Member States are responsible. European funding supports efforts to improve knowledge, to identify the causes of homelessness, to recognize best practices in various countries and to evaluate innovative approaches, such as for example the Housing First approach.

A number of European Union policies also provide for measures which have a direct impact on homelessness and housing rights. These measures include regional or rural development, the provision of healthcare, food aid and human rights policies. Indeed it is very important to discuss explicitly the criminalisation of the homeless, which unfortunately happens in some countries. And we should look at this problem very seriously and encourage a more constructive approach that combines efforts to address homelessness with employment policies, health provision and other forms of support.

We also have to look at the related issues of financial regulation because this is partly responsible for the housing bubble and breakdown and the rise of homelessness in countries that faced such problems frequently. A person living on the streets due to problems paying their mortgage is something which can be resolved with better regulation. It is very important to ensure that those who now are in a difficult situation are supported, but also that we can prevent similar crisis from occurring in the future. This requires better regulation.

We also connect housing and homelessness with anti-poverty policies in other areas or with a different focus such as the European Framework Strategy to integrate the Roma which includes a very important chapter on improving housing conditions, and the upcoming Recommendation on child poverty, which we will deliver later this year.

It is very important to say explicitly that now, when the Multiannual Financial Framework is being discussed in the Council and the Parliament, in order to support policies we also need funding instruments, we need financial resources to invest in this area. This is why for the 2014 – 2020 period the Commission has proposed that at least 20% of the total European Social Fund financing in each Member State should be allocated to social inclusion. I believe this is something which we have to maintain even if the first reactions are not entirely positive from a variety of Member States.

## **Conclusion**

Ladies and Gentlemen, in conclusion let me just emphasise again the importance of our meeting today. I believe it is very important to warn policy-makers in all Member States that we have to strengthen social protection

systems. That we cannot allow current policies to continue. That we do not want to restore economic competitiveness simply by reducing wages, which undermine social stability in many countries.

This is also about maintaining the European social model which connects the 27 Member States. I believe it is not purely the single currency or the single market place which connects us but also the same social values, solidarity, equal opportunities and social justice. At this time of crisis, it is much harder to deliver. But I believe we cannot give up and that is why the red card should be visible elsewhere in Brussels, too.

Let me congratulate the Danish Presidency for staging this conference and also others that helped to develop the social services. I also believe that the one in June will be very important, so I will return to Copenhagen and continue the cooperation between the Council and the Commission under this Presidency and also the next one.

Thank you very much for your attention.