



### ***Contribution Aedes to consultation on EC Communication: A Strong Social Europe for Just Transitions***

On 14 January the European Commission launched its communication *A Strong Social Europe for Just Transitions*. We compliment the Commission's services for launching this Communication. It is impressive that within the first 2 months of taking office, the Commission published communications on the European Green Deal (EGD), its investment plan and the social dimensions of the transition. This shows the commitment of the European Commission to the EGD objectives.

Aedes represents social housing providers in the Netherlands. Therefore this contribution will focus on principle 19a of the European Pillar of Social Rights: *access to social housing or housing assistance of good quality shall be provided for those in need*

While Aedes recognizes that the EU does not have direct competence in the field of housing, we believe that more can be done to integrate principle 19a in EU policies. After briefly describing the current situation on housing markets, Aedes will therefore do 3 proposals that can help implement principle 19a at the EU level.

#### **A housing crisis affecting large parts of the European population**

The Dutch housing market is characterized by steep increases in housing costs. Rental prices are increasing, especially in cities. This makes it difficult to find affordable housing at market prices<sup>1</sup>. In the four largest cities the average rent in the private sector in 2019 was €1.156<sup>2</sup>. Some cities are prioritizing key workers in the allocation of housing in order to prevent a shortage of, for example, teachers, nurses or policy officers<sup>3</sup>.

Commissioner Schmit also acknowledged on several occasions that large parts of the European population are struggling with rising housing costs. In sum it can be concluded, as was done in several studies<sup>4</sup>, that there is currently a housing crisis that also affects middle income households.

#### **Do no harm – housing and state aid legislation**

The Communication of the Commission on the EGD introduced a *do no harm principle*, which should ensure that all EU initiatives live up to a green oath to 'do no harm'. If we really want the transition of the Green New Deal to be a just transition, this principle should also be applied to EU initiatives affecting the social domain.

The European Commission does not have competence on housing. However, state aid legislation clearly has an influence on housing. Implementing principle 19a of the European Pillar of Social Rights, and applying a *do no harm* principle to social policies of the EU, therefore requires a reconsideration of state aid legislation, or more specifically the SGEI Decision.

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<sup>1</sup> European Semester Country Report 2019: The Netherlands

<sup>2</sup> Rabobank: *Te Vroeg om te Juichen om Groei Middensegment*

<sup>3</sup> See for example: *Woonagenda 2019-2023* by the city Den Hague

<sup>4</sup> See for example: The World Bank: *Living and Leaving*, Housing Europe: *State of the Housing*, Joint Research Center: *Future of Cities*, OECD: *Under pressure. The Squeezed Middle Class*, ESPN: *Fighting Homeless and Housing Exclusion in Europe*.



Recital 11 of the SGEI Decision still refers to a target group of socially disadvantaged citizens for social housing. This is remarkable given the broad recognition that the housing crisis is affecting large parts of the population, including middle income households. There is therefore a need for a SGEI Decision that is fit to this new housing reality and that will help local authorities implement the European Pillar of Social Rights.

The SGEI Decision should apply to the provision of social housing for groups whose housing needs cannot be met at market conditions. The exact nature of the needs has to be clearly defined by the relevant Member State authorities using adequate and transparent criteria.

### **The Social Scoreboard**

The 'Social Scoreboard' instrument was introduced in the European Semester for the first time in 2018. The Social Scoreboard includes an indicator on severe housing deprivation (relating to housing quality issues). However, there is no indicator with the capacity to address social and affordable rental (and other) housing.

Implementing principle 19a requires a good overview of the current situation on housing markets. Therefore we advocate that the full range of existing Eurostat housing indicators is used in the field of housing affordability.

### **The European Semester**

The Country Reports and Country Specific Recommendations usually include analyses and recommendations in the field of Housing. The semester process is increasingly making the transition from purely macro-economic assessments, to an instrument that is also assessing the social and sustainable performances of member states. This is a positive development. In light of the aforementioned affordability crisis, we recommend the commission to specifically also monitor the affordability of housing in the European Semester process.

### **Action Plan of the EU Urban Agenda Housing Partnership**

The recommendations in this contribution are in line with the [Action Plan of the EU Urban Agenda Housing Partnership](#). Implementing this action plan is the best strategy to implement article 19a of the European Pillar of Social Rights.

**For further information, please contact:**

**Robin van Leijen**

**European Public Affairs. Aedes, Dutch Association of Housing Corporations**

**r.vanleijen@aedes.nl**

**+316-51806329**