European Observatory on Homelessness

ADDRESSING HOMELESSNESS IN EUROPE

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The Changing Role of the State:

Welfare Delivery in the neoliberal Era

Joe Doherty, Pascal de Decker, Volker Busch-Geertsema, Eoin O'Sullivan, Ingrid Sahlin, Antonio Tosi, Sakari Hänninen and Sirkka-Liisa Kärkkäinen.

November 2005

European Federation of National Organisations Working with the Homeless

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- The changing role of the state
- The changing profiles of homeless people
- The changing role of service provision

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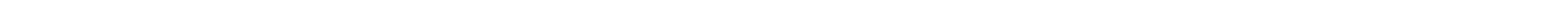

Introduction

Over the past three years a working group of correspondents from the European Observatory on Homelessness[1] has been considering the changing role of the state in relation to housing and homelessness intervention strategies. The work programme of the group identified three stages in a defined timetable: in 2002-03 we looked at the changing role of the state in Europe in relation to welfare and housing;[2] in 2003-04 we conducted a more focused examination of state interventions in the housing market,[3] and in this the final year, 2004-05, building on the findings of the two previous stages, we have considered the role of the state in relation explicitly to homelessness. The specific issues covered in this final report relate to first, the changing social construction of homelessness, secondly, institutional and policy changes with regard to homelessness, and thirdly, a consideration of the role of the EU in the form of the faltering development of a so-called 'Social Europe'. However, before moving on to the details of this year's research, we begin with a summary of the main findings of the previous two.

1 *Pascal De Decker (Belgium), Volker Busch-Geertsema (Germany), Eoin O'Sullivan (Ireland), Ingrid Sahlin (Sweden), Antonio Tosi (Italy). Correspondents from Finland joined the group in 2004, Johu Patari; and for this year's research: Sakari Hänninen and Sirkka-Liisa Kärkkäinen. The Working group was chaired by Joe Doherty (Co-convenor European Observatory on Homelessness).*

2 *Published as a thematic issue of the European Journal of Housing Policy (Vol. 4, No. 3, 2004)*

3 *The second (2004) report is available on the FEANTSA web site*

The changing role of the state in relation to welfare and housing

In the wake of the Maastricht Treaty and the associated drive for economic convergence and monetary union, a new dimension was added to research on the relationship between state and housing.[4] The distinctiveness of this new dimension lay in the identification of an apparently shared European experience of state withdrawal from direct involvement with welfare in general and housing in particular. Albeit unevenly across space and time, it appeared that state power and control had been 'rolled back' (Peck and Tickell, 2002), freeing up the stage for the market and, less demonstrably, the agencies of civil society. The origins of these changes in the role of the state were traced back to the 1970s and were linked to the economic crisis of the early and middle years of that decade. The ending of the post war boom marked by the oil price rises of 1973, induced a global economic crisis, and a crisis in the social and political structures of Europe and other advanced industrialised nations. Not only housing, but the entire state welfare edifice, constructed and enhanced over the previous thirty years, came under scrutiny. From that time, the idea of welfare in Europe whether in its Bismarckian or Beveridgian forms, experienced its first major challenge; the viability of the project in financial terms was first queried to be followed rapidly, as a neoliberal political agenda took hold, by a questioning of its very raison d'être.

In relation specifically to housing, other and related processes were identified as contributing to the changing role of the state. Some credence was, for example, given to the 'embourgoisment' thesis which suggested that the newly affluent of western Europe no longer had a need for subsidised, basic housing; they now demanded choice in housing as an outlet for their new found purchasing power, a choice best provided by the market not the state. While such shifts in demand may have had some impact over time, of more immediate concern were the emerging socio-demographic transformations of parts of European society, manifest, for example, in an ageing population and an increased rate of household formation. These changes, which became more evident across most of Europe during the course of the 1980s and 1990s, placed new and unforeseen demands on welfare functions including housing. Geared towards provision for the 'traditional' male-breadwinner, nuclear family, the housing markets of many European countries and especially the state supported sectors of those markets, were found wanting.

By the mid 1990s, evidence of the withdrawal of the state from direct involvement in the provision of housing was plentiful: the privileging of owner occupation through 'right to buy' programmes and the promotion of low cost homeownership schemes, the reduction and cessation of social housing construction, and the switch from 'bricks and mortar' to targeted household benefits; all these developments seemed to confirm the legitimacy of the roll back thesis. However, as several of the authors of these mid-1990s publications pointed out, such changes, while tangible and concrete, were not uniformly characteristic of all EU member countries and needed to be evaluated in the light of new roles and responsibilities taken on by states, both local and central; superficially strong, the evidence of 'roll back' was not deemed to be conclusive.

4 *Priemus, Kleinman, Maclennan, and Turner, 1993; Harloe, 1995; McCrone and Stephens, 1995; Kleinman, 1996 and 1998; Maclennan, Stephens and Kemp, 1996; Balchin, 1996;*

Housing research, since the mid 1990s, reflecting the orientation of most research on the welfare in Europe, has continued to emphasis the complex and contingent nature of change in the role of states with regard to housing policy and provision. In this tradition, the 2003 five country reports (Belgium, Germany, Ireland, Sweden and the Italy) of the correspondents of the European Observatory on Homelessness demonstrated that the effects of neoliberalism must be understood in 'contextually specific ways' (Sykes, et al 2001, p. 197) and that such change hinges 'upon the path-dependent interaction of neoliberal programmes with inherited institutional and social landscapes' (Brenner and Theodore, 2002, 344). The impact of neoliberal ideology in the form of deregulation, privatisation, and public/private partnerships, and in the push for a new moral agenda (individualisation) is acknowledged in each of these reports. They demonstrated also, however, that the overall impact has not always or everywhere led to a diminution of the role of the state. The terminology employed by the authors of these reports, 'restyling' 'restructuring', 'reordering', reflects an attempt to capture the complexity and nuances of an on-going processes.

In Germany Volker Busch-Geertsema demonstrated how a combination of planned evolutionary change (the withdrawal of state subsidies for housing), and a process of 'regulatory restructuring' involving the targeting of welfare, has to seen in the context of increased state engagement with area policies and programmes; in Belgium the picture composed by Pascal De Decker was one of reorganisation (or 'restyling') together with new, though modest, interventions in social housing within a context of continuity of historic interests; in Ireland, Eoin O'Sullivan showed how a 'pragmatic' state - in apparent contradiction of the roll-back thesis - has recently taken a direct interest in housing and that welfare payments have increased; in Italy a complex regional narrative emerges from Antonio Tosi's account with municipalities taking on more responsibility, and geographic unevenness becoming further established, while in Sweden, where the withdrawal of the state has been most marked (from a very high level of intervention), Ingrid Sahlin's analysis suggested that state control is still retained and exercised through the less concrete, but nevertheless influential, realm of discourse.

The second, 2004, report of the Working Group,[5] had as its explicit focus the role of the state in the operation of the housing market. The report, considered three interrelated issues: (i) governance; (ii) provision, tenure and access, and (iii) affordability.

5 *For the 2004 report, Johu Patari from Finland joined the Working Group.*

Governance

Models of governance refer to the balance between the state, the market and civil society in respect to welfare delivery. Theoretically and simplistically, models of governance can be located along a continuum (mediated by the involvement of civil society) from 'state control' at one end to 'market control' at the other. European models of governance, almost without exception since the 1970s have been moving towards the market end of the continuum, but this movement has not been cumulatively linear, rather it has been erratic, shifting 'left' and 'right' on the continuum, albeit inexorably towards more market involvement in welfare delivery. The chronology and configuration of this movement along the continuum has differed from country to country and indeed between welfare segments within each country. Having been only partially decommodified in the post-war period, housing, arguably, has drifted further towards the market end than, for example, either health or education. The 2004 reports of the Working Group demonstrated how the role of the state in the housing markets of Europe has changed, albeit that the nature of that change varies from country to country. Where states were once 'providers' they now increasingly adopt the role of 'enablers', where they once had little history of involvement, their new roles take on a demonstrable 'support the market' function. This 'surrender' of housing to the market (with and without the intervention of civil society organisations) is well illustrated in the declining and changing role of social housing provision. In the general context of the increasing commodification of housing throughout Europe and demands for a reduction in state expenditure, there has been a curtailment in the provision of and support for social housing especially by state authorities (see Edgar, Doherty and Meert, 2002, Chapter 3). However, it has also been noted that more recent developments, such as the state provision of new social housing in both Ireland and Belgium, might suggest that this process may have run its course, but it is far too early to make a judgement in this respect. Interestingly, Ingrid Sahlin concludes her 2005 report with the speculation that in Sweden '...the central state may be brought back in'.

Housing provision, tenure and access

In relation to the second topic of the 2004 report - housing provision, tenure and access - the application of the model presented above of state withdrawal and market take-over, was examined in relation to the path-dependent experiences of individual countries.[6] In *Belgium*, where historically state involvement in housing has been less than in many other EU countries, the marketisation of housing has been demonstrated over recent years by the growing proportion of owner-occupiers, now over 70% in both Flanders and Wallonia.[7] The rise in house prices has had a detrimental impact on the access by some households - especially those newly forming and those dependent on a single income - to appropriate and affordable accommodation. In the absence of substantive social housing provision, the downward pressure in the housing market is most dramatically seen in the emergence of marginal and alternative forms of accommodation: furnished rooms, caravans and mattress hire. Social housing provision is much smaller in Belgium than in most EU countries and falls way short of meeting the demand; a demand which the social rental agencies are unable to cater for. Despite the incorporation of a right to housing in the Belgian constitution in 1994, and the adoption of new housing codes by the Belgian regions, many of the most vulnerable households (especially among immigrant communities) are without access to appropriate and decent housing. While the state apparatus of the Belgium regions, in response to the various dimensions of an emerging housing crisis, have of late been more interventionist than has traditionally been the case, the nature of that intervention - concern for the quality of dwellings, permitting the sale of up to 15% of social housing stock in Wallonia and small additions to the social housing stock - have had no appreciable impact on improving housing access for the most vulnerable in Belgian society.

6 *Johu Patari from Finland joined with Working Group for the 2004 session.*

7 *The Brussels Capital Region, reflecting its particular role as the administrative capital of Europe, has a different tenure structure with only 45% owner occupied and the private renting (55%) as the dominant tenure.*

In *Finland*, housing policy has for many decades been part of the government agenda and it remains so today. However, the originally innovative 'arava' system has been refashioned in that individual households are no longer able to access cheap government loans; they have been forced to turn to the private loan market where they are able, for the time being at least, to benefit from the low interest rates. The 'arava' loan system still plays a crucial role in the production of rental housing even if the scope of rental production has been drastically decreased since the early 90s. The costs and quality of 'arava' production are still regulated by the government, and in the selection of occupants both the urgency of housing needs and low income are used as criteria. More recently, the construction of rental housing has been targeted at special groups like the elderly and the vulnerable - including the homeless. Due to migration from rural areas, the shortage of housing and the problem of homelessness are concentrated in the urban regions, especially in the metropolitan region of Helsinki. This development is reflected in the government programmes to reduce homelessness, the primary focus of which is located in the capital region. The role of social housing is still crucial in these programmes. In comparison with most other EU countries, Finland's 'social market' seems to have at least contained problems of housing provision and access.

While the provision of and access to housing in *Sweden* differs considerably from that in Finland, it shares a common characteristic in that privatisation of housing has been on the increase in recent years. Sweden is arguably among those countries of the EU which demonstrates most clearly the impact of neoliberal policies, exhibiting a major change in the role of the state. A combination of deregulation of local authorities, plus budget cuts, recurrent reorganisation of local state agencies and increased administrative pluralism, reflect a growing market orientation to welfare. These processes have been manifest in the dismantling of social housing programmes, in the promotion of home ownership and the growth of homelessness; the abolition of the Ministry of Housing in 1991 being deeply symptomatic in this context. However, as elsewhere in Europe, liberalisation and deregulation at one level may be accompanied by renewed control at the other. As the state retreats from the traditional forms of control and intervention, it takes on new powers and new forms to compensate. In Sweden, the state retains considerable power and influence through indirect means, especially through the control it is able to exercise over decision making and funding.

While it is true that expressions like 'retrenchment of the state' oversimplify and do not take account of the complexity of the changes that have occurred in the *Italian* welfare system in recent years, in the special case of housing, a number of pervading characteristics would seem to justify recourse to 'retrenchment' rhetoric. From this point of view, housing policies represent an exception with respect to the general evolution of welfare. While the role of the state in social welfare has demonstrated, at least at the institutional and legislative levels, some important advances with respect to the traditional welfare model, in relation to housing policies there has been a reduction in direct public sector involvement. In Italy housing has always remained on the margins of social policies, not just financially but also symbolically: public intervention in this sector has consisted of successive cycles of regulation (of land, rents, markets, etc.), accompanied by a plethora of micro-distributive measures. The limited commitment to public spending on housing is accompanied by extensive recourse to regulatory measures with 'social' objectives, especially as regards the rented market. However, there are signs of innovation in the form of regional and municipality policies as the administrative agencies at both these levels take up the responsibilities placed on them by devolution and attempt to deal with the worsening problem of housing in the absence of central government initiatives.

During the twentieth century, a tenure revolution occurred in *Ireland* whereby owner-occupation became the dominant tenure. This was achieved through substantial state support for owner-occupiers both via the tax system, and through direct grants and importantly by means of the sell-off of social housing under right to buy legislation. While primarily geared towards supporting and facilitating home-ownership, housing policy in Ireland also incorporates a range of social and affordable housing options, which have come on stream over the past 10 years or so, in addition to regulating private landlords and ensuring greater protection for tenants. The diversification and expansion of the role of local authorities in meeting non-market housing demand does not easily fit with those who claim that neoliberalism dominates social and political thought and policy in Ireland.

In the European Union *Germany* remains the country with the lowest share of owner occupied housing (under 50%). Seen from a long term perspective the German housing stock has grown and improved steadily, but the output of new housing and the balance of demand and supply has been highly cyclical during recent decades. Housing for owner occupation has dominated new construction in recent years. Recent case studies on homelessness and on local housing markets show signs of a trend reversal in some regions. Significant rent increases in a number of economically dynamic West German cities point to new tensions in those local housing markets. While the market can be identified as the dominant (and growing) force in the housing arena, moderate state control continues to play an important role. Examples of market regulations by the state are: the tenancy law which includes regulation for control of rents in existing tenancies, the remaining state subsidies for social housing policy and for home ownership, the remaining (albeit shrinking) mechanisms influencing the allocation of housing (by nomination rights in social housing, by municipal shares in housing companies), the different systems of housing benefit and housing allowance for tenants with low incomes, and the increased efforts to subsidize area-based initiatives and to foster urban restructuring. In relation to the issue of barriers to access, a number of studies show that there are large groups of households facing discrimination in the housing market because of their demographic and social characteristics and their nationality (foreigners, the unemployed, families with several children, single parents) and that there is a smaller group of households which faces much stricter exclusion because they are seen as ‘problem groups’ and ‘trouble makers’ or as persons ‘unable to live independently’ and in obvious need of social support. In addition, a recent survey has shown that the shortage of small affordable dwellings is one of the reasons why support for formerly homeless people is still provided in about a quarter of all cases.

In the six countries considered in the 2004 report, the problems of housing provision especially for some of he most vulnerable have been compounded by the increasing commercialisation of housing associations and housing companies and their consequent adoption of financial ‘risk-avoidance’ strategies which have the effect of drawing social housing away from a focus on the most deprived and at-risk households; the vetting of tenants for ‘reliability’ and the use of eviction orders are symptomatic of this process. The emergence and expansion of ‘innovative’ schemes such as ‘shared’ and ‘low cost’ home ownership - all invariably involving some private market ‘partnership’ - provide only a limited alternative to social housing for those with some equity to invest, and no alternative for the most vulnerable.

Affordability

Issues of affordability - the third focus of the 2004 report - impact not just on the poor and those with low paid in insecure jobs, but increasingly on young middle income families, including key workers. Rising house prices - in conditions where there is no surplus of housing above demand - exercise a downward pressure on the market, pushing hitherto low or reasonably priced properties into dearer categories and further increasing the pressure on the poor and low paid and exposing them to the vulnerabilities of homelessness. While the pattern of steeply rising house prices is not true everywhere (Germany being a notable exception) and is characterised by considerable regional variability even within individual countries, the problems this causes in terms of access to adequate and affordable housing are all too manifest for certain vulnerable sections of Europe's population.

In *Belgium* the problems associated with the high cost of housing and the predominance of owner occupation have long been identified. While the quality of property is on the increase, especially in Flanders, the continuing high housing costs have inhibited access of even moderately paid households to adequate housing and created problems for those without dual incomes. Additionally, the absence of clear and adequate alternatives to owner occupation in many areas especially the larger urban centres - reflecting the low level of social housing provision - has resulted in the emergence of informal housing solutions in the form of multi-occupancy, campsite dwelling and so forth. From the mid 1980s it was recognised that a growing number of households were increasingly unable to acquire adequate housing, either by themselves or with support from the government or social housing companies. In response to this situation welfare organisations (predominantly but not exclusively from the homeless sector) started to look for new solutions and set up 'social rental agencies' for the provision of an entirely new type of housing; later legislatively labelled 'Recognised Renting Initiatives'. A growing awareness of the persistence of affordability problems was one of the stimuli in the early 1990s which led to a 'rebirth of housing policy' under the Flanders coalition governments of 1992-95 and 1995-99. This resulted in an injection of investment in the building of social housing. The aim was to construct 10,000 additional, mostly rented, social dwellings. This goal was eventually achieved, albeit somewhat less quickly than had originally been envisaged. These additions to the social rented sector, though extremely small, are indicative an growing intensification of state involvement in housing over recent years. The impact however has been minimal and major problems of housing affordability especially for those with low or vulnerable incomes remain.

In *Finland*, affordability problems are clearly demonstrated in the continuous rise in rents and in the price of housing, a problem especially in high pressure areas of in-migration such as the capital region. As elsewhere in Europe, sufficient income, especially if associated with two income households, assures access to adequate housing and the current low interest rate associated with private loans has significantly facilitated this access. Government attempts to control prices have been rather marginal and not very successful; increasingly the housing market is characterised by insecurity due to the rapid increase in the prices of dwellings and the extent of borrowing. Since the interest rates associated with the state 'arava' loans have, in recent years, been higher than those for private market loans, many developers of social housing have changed their strategy and started to build more dwellings with market loans, thus bypassing state regulation. The resultant scarcity of affordable small rental apartments is having a negative effect on the pursuit of solutions to homelessness in that it makes resettlement and independent living more difficult. The lack in the provision of support services for the homeless people is an even more urgent problem in housing vulnerable people. This lack of provision is linked to the restructuring of the social welfare practices of the state and the determination to cut back on expenditure. The narrowing of the scope of the Slot Machine Association is an example of this restructuring. The funding provided by the Slot Machine Association to the NGOs has been significant both in building dwellings for homeless people and persons facing housing risk, and in providing support services for them. Under the pressure from organisations representing entrepreneurs and private business interests, the government has interpreted EU competition legislation in a very strict manner: funds from the Slot Machine Association are now granted to voluntary organisations only if there are no other service providers in the particular field of service provision operating in the local region in question. There is a danger that, due to the competitive tendering, the price of services outruns the quality of services in the delivery decisions.

While the current situation in the *German* housing market is relatively relaxed, regional disparities have grown and are expected to grow further, and overall the future development of demand and supply remains unclear. Cyclical movement in the past, the decrease in new construction after the mid 1990s and the prognoses for a further increase of the number of households in Germany, all point to the probability of new housing shortages in the near future. Recent European comparisons, however, show that Germany (along with Austria) differs considerably from most other EU countries in respect to the recent development of house prices and housing market developments. House prices have remained static or have fallen slightly in recent years and the housing market has been much less dynamic than in most other EU countries. When other European housing markets were depressed in the early to mid 1990s as a reaction to house price booms in the late 1980s, Germany had its real estate boom stimulated by the reunification and by a massive immigration wave. The peak of the house price boom in Germany was reached in the mid 1990s when prices were only beginning to rise in other EU-countries. However, the cost of housing in Germany is not cheap with nearly 40% of households in West Germany spending over 30% of their income on rents. In East Germany transitional arrangements for the control of rents (not applied to newly constructed housing) were abolished in 1998 when East Germany legislation was brought into line with that in the West; East German housing costs are now subject to the same pressures as those in the West. In Germany the main emphasis of public interventions concerning the problem of affordability has shifted from subsidies for dwellings and the control of rent levels in social housing to individual subsidies for households in need of financial support. The impact of the reforms to housing benefit eligibility and entitlement introduced under the so-called Hartz laws introduced in 2005 are still being played out, but the prognosis is not good in that they are likely to lead to an intensification of affordability problems for the most vulnerable households.

In *Ireland* a booming housing market has been fuelled by a buoyant labour market with a sizable increase in the number of young, newly formed households with more money to spend, and with access to large loans at very low interest rates. The surging house prices and the scarcity of affordable housing and the consequent problems for those on lower incomes triggered a series of responses from the Irish government designed to target rent allowances at the most vulnerable - especially those deemed to be in long term housing crisis and those under 40 years of age - and to ensure (through the 2004 Residential Tenancies Act) that private rental agencies provide decent housing with security of tenure.

A series of Parliament decisions in *Sweden* at the beginning of the 1990s resulted in rising rent levels in the country. Through the so-called Tax Reform, VAT was applied to rental housing, and in order to comply with the criteria for being accepted in EMU, Sweden drastically reduced its state subsidies for the construction of new dwellings. The average share of the net income spent on housing grew from 17-18 percent in 1982 to about one third in 1997. A precondition for the tax reform was that increased housing allowances would compensate low-income tenants. However, since 1995 the number of recipients of housing allowances, as well as the total cost of this benefit, has steadily decreased. In 1997, the criteria for being eligible for housing allowance were altered and it became impossible for households without children and very difficult for couples, even if they had many children, to get housing allowance. In the absence of general building subventions, the way the rental market functions became an obstacle to the production of the necessary new homes.

From the point of view of the building companies, rents are too low to make new construction profitable, while tenants find them too high. For the same reason, property owners hesitate to invest in maintenance and rebuilding. During the past decade, building companies have solved the problem through constructing dwellings with very high standards or on extremely attractive sites for high-income people ready to pay rents that often exceed the whole net income of ordinary full-time workers. Or they have established Tenant Owners Societies (TOS) prior to construction, thereby ensuring that the building will be sold as soon as it is ready. TOS members are residents who pay a monthly fee to cover heating, exterior maintenance, management, and the association's interest and mortgage charges. A TOS may reject a specific buyer as a member, but in general flats are sold on the open market to the highest bidder. In the current situation of increased urbanisation, growing numbers of rich people and a general shortage of rental flats, prices for TOS-flats have become very high in the densely settled inner areas of the big cities. Low-income people cannot compete for these kind of dwellings. Private companies or individuals own almost half of the rental housing in Sweden, while the other half belongs to the 300 municipal housing companies (MHCs) that comprise the public housing sector. While changes at the aggregated level are rather slow, the proportion of rental flats is decreasing. The share and absolute number of MHC-dwellings are also decreasing. In addition, most demolitions and many TOS-conversions target MHCs, some municipalities have sold parts - or all - of their public housing to private companies. Since 1 April 2002 such transactions, including conversions to TOS can be stopped by the county administration if they imply that there will be no substantial public housing sector left in the municipality or district. However, a number of municipalities in the Stockholm region have already sold all their municipal housing companies and today have no public housing at all. The upshot is that during the past decade, an average surplus of dwellings has been converted into a shortage of affordable rental dwellings in the city regions, though the pattern is geographically rather uneven. The urbanisation process has resulted in a considerable surplus of dwellings - single-family houses as well as rental homes - in some regions and municipalities, especially in the North, and a serious shortage of rental flats and very high prices on owner-occupied homes and TOS-flats in other parts of the country, especially in the big cities and their neighbouring municipalities.

Since the beginning of the 1990s, the level of housing construction has been very low and has increased only slightly in recent years. In the 1990s, among the new dwellings, only a minority were ordinary rental flats. In order to secure the supply of housing for people with special needs, subsidies for the building of housing for the elderly, disabled and students were introduced. This is why the majority of the rental dwellings built in the 1990s targeted students or the elderly, while the production of ordinary rental dwellings practically ceased. 70 per cent of the new rental dwellings in 2001, and about 50 per cent in the following two years, were actually special housing for these target groups. In 2001, the Government introduced a limited subvention for the building of rental dwellings of reasonable size in locations where there was a shortage of housing. This is available for projects started before the end of 2006 and, by the end of 2003, it had been allocated to approximately 7,300 dwellings, of which about half were public housing. Of all dwellings to be started in 2004, 29 per cent were special housing, about the same share were TOS-flats and owner-occupied houses, while 39 per cent were planned as regular rental housing.

The overall conclusion of the 2004 transnational report on the issue of affordability was that the targeting of welfare and the extension of means-testing for access to benefits further marginalise and make access to affordable and adequate housing for some vulnerable households more difficult. In the polarisation of Europe between the 'included' and the 'excluded', access to affordable and adequate housing is critical.

The social construction of homelessness

The Working Group reports of the national correspondents for 2005 clearly identify the prevalence and persistence of homelessness in their respective countries, reflecting the seriousness of the problem across the whole of the EU. Yet uniformly the problem both in the past and at the present time has at best been given only token recognition and at worst trivialised or ignored in the policy concerns of most EU governments. At times, when the most visible forms of homelessness - increased street sleeping, overflowing shelters - give rise to a heightened public consciousness, governments have intervened and responded, but often and most commonly in the form of 'emergence' measures to 'clean-up' and remove the evidence; the adoption of variations on rough sleeping initiatives being the most obvious and clearest examples. The deep-seated *character* of homelessness (its hidden nature in the form of insecure and inadequate accommodation) and its deep-seated *causes* in the structural inadequacies of the housing market and the social welfare support systems are barely recognised and rarely tackled in the form of legislation or other policy measures.[8] This 'denial' of homelessness or at least of its seriousness and its implications in terms of what it says about issues of poverty, social exclusion, housing supply and the basic 'civility' of modern day Europe are tackled implicitly and explicitly in the 2005 national correspondent reports and is perhaps best captured by the concept of "social construction".

Social construction refers to the manner in which we as individuals and as group members build up our view of the world and its various components. Individual and group social constructions are an amalgam of diverse inputs: from inherited and imbibed memories, through exposure to particular interpretations and prejudices and our own lived experiences. Social constructions can be ambiguous and ill-formed and can change over time; they can also be, paradoxically, unconsciously and even overly inconsistent. At its most radical, social construction challenges the idea that there is some 'objective' reality 'out-there' which is separate from our perceptions - a view which is frequently challenged by the advent of the unexpected; less radically the concept suggests that the way we behave reflects the sum of our social constructions. By extension we can then talk of the way in which the state - in all its various forms - 'constructs' homelessness. The way the state constructs homelessness varies over time reflecting the impact of different political ideologies, social circumstances, pragmatism and electoral expediency, as well as - less we fall victim to complete political cynicism - commitment, on the part of some at least, to particular analytical interpretations of the problem. The picture is complicated by the recognition that constructions can vary within the same national territory by level of responsibility and spatial scale: regional and local state governments proposing distinctively different interpretations from the central state. The characterisation of homelessness as a problem in its own right or as an artefact of the problems of poverty or the housing market reflect specific and particular constructions which influence and in large measure determine policies interventions.

8 *The recent 2002 radical legislation for the elimination of homelessness by 2012 in Scotland perhaps being a significant exception - but while the intention is laudable, the weaknesses of this Act especially in terms of lack of committed resources are now beginning to be exposed.*

Sometimes closely associated with these characterisations are ideas (constructions) which implicitly and sometimes explicitly attribute causality either to structural processes or behavioural processes. Characterised as a housing problem, homelessness is most readily explained as an attribute of the failures of the housing market, characterised as a social problem there is a greater, though not inevitable, tendency to ascribe causality to the behavioural realm, thereby cultivating the notion that it is not a societal problem but an individual problem, and consequently not legitimately in the provenance of state concerns.

Risking accusations of gross generalisation we can attempt to identify the current homelessness perspectives (a word to which we attribute, in this context, the same meaning as construction) of the countries covered by the 2005 Working Group reports. In *Belgium* the problem of homelessness and vulnerability to homelessness is recognised as part of a wider housing issue; however, since the Belgian state (in all its forms) has historically only intermittently intervened in the housing market, no serious and fundamental policies for the alleviation of the problem have been devised. For rather different reasons, homelessness has hardly figured as part of housing policy in *Italy*. Here homelessness has traditionally been identified as an attribute of the larger problem of poverty and thereby has been labelled primarily as a social rather than a housing issue. Contentiously perhaps, it could be argued that as a consequence homelessness per se has slipped between the two stools of housing and social policy - never being picked up by either and thereby never given the attention it demonstrably deserves. In *Sweden*, the official construction of homelessness has changed dramatically over recent decades. Now seen as a marginal problem of a largely local nature requiring specialist intervention and provision, the Swedish state has put aside any notion of homelessness as symptomatic of a deeper crisis in housing and has thereby adopted effectively a social interpretation of the problem. Its persistence and intractability especially in the larger cities has, however, increasingly been noted; this may, somewhere down the line, engender a further shift in the official state interpretation of the problem. The perception of homelessness by state administrations in *Germany* is complicated by the country's federal structure and by the unification process following the symbolic destruction of the Berlin Wall in 1989. North Rhineland-Westphalia in the recent past developed perhaps the most comprehensive perspective identifying both social and housing dimensions of homelessness as well the special needs of particularly vulnerable groups (e.g. women). This perspective stood in contrast to rather more limited and restricted interpretations elsewhere. The assignment of homelessness responsibilities to metropolitan authorities under the newly implemented Hartz legislation could be seen as just a further indication of Germany's customary attachment to subsidiarity principles and therefore consistent with a traditional commitment to decentralisation; alternatively - perhaps simultaneously - it could be interpreted as signifying a shift from a perspective which saw homelessness as an integral feature of housing market failure, to a perspective which attributes more causality to individual processes and experiences. The recent succession of more conservative / traditional administrations as the result of elections in North Rhineland-Westphalia and at the national level might prefigure further drift in this direction.

The social construction of homelessness by an increasingly secular *Irish* state has revealed a very pragmatic (even empiricist) stance. In the context of a buoyant housing market with concomitant and highly visible problems of housing affordability and homelessness among vulnerable populations, the Irish state has deviated from a path of commitment to a neoliberal ideology of housing commodification and home ownership, and as part of a 'social partnership' strategy adopted a more interventionist stance in regulating the rented sector and committing resources to the construction of new affordable social housing. In common with many other EU countries *Finland* has favoured a decentralisation of responsibility to the local state and in Helsinki where the major problems of homelessness are located, the metropolitan authority struggles to tackle problems of affordability. Traditionally viewed as a 'multi-dimensional' problem with social and housing components, the Finnish approach to homelessness has employed both housing and social instruments in an attempt to curtail homelessness and has been relatively successful; until recently Finland was the only EU member state to establish the elimination of homelessness as a target, albeit still not met. Yet Finland has not escape a certain level of welfare retrenchment and the official determination to eradicate homelessness lies uneasily alongside the trend, since the early 1990s, to rescale and often cut back public social welfare expenditure. Having resisted more established methods whereby homelessness was viewed as solvable through the deployment of housing instruments, that is by providing normal homes, Finland (paralleling similar developments in Denmark) has begun to view its remaining and intractable problem of homeless as in need of special measures and the employment of more diverse strategies designed to deal with individual disaffiliation and alienation.

While generalisations are always subject to detailed adjustment, it can be argued that across the EU states considered in this report, to a greater or lesser extent, there is an ever more apparent trend to view homelessness - at base - as a problem of individual pathology. The recently observed and disturbing trend to criminalise homeless people to define them as in some manner anti-social and to limit their sphere of circulation, is symptomatic in the regard. [9]

9 *The issue of socio-spatial segregation and the criminalisation of homeless people is the focus of the next project (2006-08) of the Working Group.*

Institutional and policy changes

The common feature of the institutional and administrative changes associated with homelessness in the countries considered in this report is that of decentralisation and devolution of responsibility for homelessness from the central to the regional and local level; a feature common to most EU member states - even those with an extant federal structure - as recorded in the both the 2003 and 2005 Policy Reviews produced by the Observatory. The implication of this process are, as intimated above, that the view of homelessness increasing being adopted by central states across the EU is moving towards a construction of the problem as one of local import, with local solutions. Such a construction does not invariably mean the causal attribution of homelessness to the individual behaviour of homeless people, but it does imply that if there is a structural problem associated with the supply of decent and affordable housing, it is local in nature and not something that can be tackled solely or necessarily at a national level. However, the suspicion is that some central states at least are demitting the problem to local authorities to focus attention on local administrations and to remove attention from central governments; a suspicion heighten when it is noted that a decentralisation of responsibility has not been accompanied by a concomitant decentralisation of resources or of decision-making with regard to homeless policies and priorities. This trend of 'decentralisation of responsibility but not of resources' is well illustrated in the case of *Italy* [10] were Law 328 enacted in 2000 promised much in terms of 'far more effective' polices, in that it sets out a general legislative framework with minimum standards of support which suggested that the long established geographical unevenness in the delivery of social support might finally be overcome and rectified. However, in the face of local and national vested interests and because of central government inertia many of the central elements of the Law have not been implemented effectively across the country and there are signs that the approach may be abandoned by the national government. In the context of decentralised responsibility without a commensurate redistribution of resources the geographic unevenness for so long characteristic of Italy's welfare and housing system remains entrenched with richer regions initiating local campaigns and programmes designed to alleviate some of the worst poverty and vulnerability problems, while region elsewhere - notably in the South - are unable to contemplate such action.

Decentralisation of responsibility for housing and homelessness in *Sweden* began in the 1990s, with the abandonment of a separate ministry for housing in 1996 marking a clear turning point. Since then municipalities who inherited responsibility have been distancing themselves from homelessness issues. Municipal housing companies (MHCs) were formed after World War II as a vital part of the comprehensive 'Swedish Model' of housing policy. Public ownership was supposed to guarantee a good local housing provision as well as fair allocation principles. Although there was never any specific rent subsidies, nor any upper income limit for the applicants/tenants, the purpose of MHCs have traditionally been to house people who for one reason or another do not appeal to private landlords. This 'social responsibility' was in practice realised through a system of priority principles in the municipal housing queue and the possibility of preference if social workers or physicians verified a special urgent need for housing. However, except for the fact that housing assignment agencies and housing waiting lists have been dissolved,

10 The reasons for this disjuncture in the Italian case are complex and not necessarily explained by the centre wanting to off-load responsibility. Decentralisation in Italy has resulted from strong pressure, mainly coming from "periphery", with the central government at various times reluctant to decentralise (Antonio Tosi, 2005; personal communication)

many MHCs are today assigned as their primary task to work for the development of the municipality, which tends to mean that the company should strive for profit but also may include working for improvements in the neighbourhoods, such as safety and freedom from crime and disorder. As a result, MHCs compete with private landlords for the best tenants and accept no special social obligation for poor or homeless people. By tradition, on the other hand, the MHCs, more than private landlords, collaborate with social authorities in projects aiming to prevent eviction or arrange temporary housing for homeless people, and to a much greater degree than private landlords, they provide flats and estates for the social authorities to rent and sublease to homeless clients on special terms and without security of tenure (the so-called secondary housing market). Illustrating the manner of MHC operation and the attitude of national government towards these decentralised entities, Ingrid Sahlin, in her 2005 national report cities the example of one such organisation which was revealed as operating an illegal system of tenant selection; it seems unlikely that the MHC in question will be prosecuted.

In *Germany*, at the national level state activities concerning homelessness are relatively limited; state responsibilities for providing or financing services for the homeless and for preventing and reducing homelessness are largely concentrated at the local level of the municipalities which have responsibility for the implementation of police laws, or local authorities (including rural districts) which are responsible for financing social assistance. The financial responsibilities for measures for 'persons with an unsettled way of living' under the Federal Act on Social Assistance were - and still are under the new Act regulating social assistance, *SGB XII*, which became law 1st January 2005- organised differently in different regions. In some *Bundesländer* the responsibility lies with regional authorities or the Land itself, while in others all responsibilities have been transferred to the local level (a trend which has increased in recent years). Often a distinction is made between 'stationary' institutions (financed by regional authorities) and 'ambulant' services (financed partly or completely by local authorities) and some *Bundesländer* have systems of co-financing of both levels. Recent legislative changes have imposed stricter obligations on municipalities to prevent homelessness caused by rent arrears, have revised the Act on Social Assistance to identify the provision of support for 'persons in special social difficulties', and homeless people have been included as a priority group in the new Federal Housing Act (*Wohnraumförderungsgesetz*). Some of these positive changes have recently been counteracted, at least partly, by new legal regulations under the so called 'Hartz reforms', which complicated preventive action and the delivery of integrated services for homeless people and introduced sanctions and regulations which increase the risk of homelessness for a considerable number of long term unemployed people. The role of national (and regional) government in relation to homelessness is now restricted to the funding of research and to providing a legislative framework for social security, social services and housing policies which are to a great extent implemented, financed and administered by municipalities. For homeless single persons, non-governmental organisations (funded by public tax resources) have a dominant role as providers of services, and this role is strengthened by the principle of subsidiarity in German social legislation.

The role of NGOs, voluntary and 'third sector' agencies

In most EU countries NGOs and the so-called 'third sector', partly as a consequence of state 'roll-back', have begun to play a more decisive role in not only the delivery of support services (their traditional role) but also in providing more than emergence or temporary accommodation for their homeless clientele. Increasingly public agencies join in 'partnership' with NGOs to provide support for homeless people, especially for homeless people with special support needs. *Ireland*, with its 'social partnership' represents an attempt, if not always successful, to formalise the relationship between the main agencies of welfare and social policy with the intention of integrating and developing coherent programmes for dealing with such issues as homelessness. In *Belgium*, in contrast, where the state still has many reservations and an expressed reluctance to intervene in the housing market, the role of confessional organisations remains autonomous or at best loosely connected with that of the state. The other countries considered in this report occupy a middle ground, reflecting varying degrees of cooperation and integration.

In *Germany* there is evidence over the last decade of some non-governmental services starting to develop their own activities for the prevention of (primary) homelessness and to take over the role of landlords as well as support providers. This has led to increased efforts by NGOs to get access to normal dwellings and to a massive enlargement of provision of floating support in regular dwellings (support in housing) for formerly homeless persons. While profit-oriented organisations still play a minimal role in relation to homelessness in Germany, the traditional preference and support for non-profit welfare agencies, which was anchored in social legislation, is not now as strict as in the past and commercial providers play an increasing role for example in job integration schemes and sometimes also by offering temporary accommodation facilities and prevention services to municipalities (and housing companies). The traditional separation of services for the homeless between municipalities and non-governmental service providers continues to influence the distribution of tasks at the local level: municipalities focus on prevention and on temporary accommodation for evicted homeless households and they are responsible for attempts to improve access to housing, the NGO sector provides institutions and social work services for single homeless people. However, the separation of services for different types of homeless households and households threatened with homelessness has been increasingly questioned. In some cities efforts have been made to overcome this separation either by close cooperation in 'public-private partnerships' or by municipal assignment of preventive and other tasks to non-governmental organisations.

In *Italy* broad sectors of social policy have traditionally been left largely to private sector regulation, this has given rise to a dualism in the overall system of welfare. The public and private sector systems tend to operate in parallel developing a strong interdependence, but at the same time maintaining full reciprocal autonomy. This traditional way of working is now seen as an obstacle to the inclusion of NGO and third sector agencies in the planning and delivery of public policies and makes for difficulties in developing a universalistic and coherent perspective on welfare. However, in January 2000, after homeless people died of exposure and cold, the Italian government provided a fund of 30 billion Lire (c 2 million euro) in 14 metropolitan areas for the use of local administration departments, voluntary associations and other non profit organisations operating in the field of housing and homelessness. Despite its emergency origin, this legislative act allowed some local administrations to strengthen their network of services and others to start their first intervention in this area. More generally it helped strengthen links between the public sector, voluntary associations and the third sector for the purpose of providing integrated action to assist those of ‘no abode’. While the strongly independent tradition of Italy’s third sector remains, there are also signs of change brought about by a marked process of institutionalisation. Public sector institutions are in fact tending to encourage the development of the third sector and at the same time embrace its role in forms of public regulation. This occurs in different ways according to the local context: in Turin, for example, the third sector is strongly integrated with the public sector in the delivery of services, but nevertheless maintains a role in defining its objectives and standards of action. In Milan there is a more rooted system in which the public sector delegates welfare responsibilities, more or less explicitly, especially for certain categories of need. Today initiatives in relation to the ‘no abode’ by both voluntary associations and municipalities are strengthening. The importance of the action of regions and municipalities reflects both the responsibilities resulting from the implementation of devolution and the requirement to fill in the gaps in national policies. The initiatives range from emergency shelters to reception centres and re-integration programmes. In many cases the initiatives are supported by regional laws or plans which provide resources destined specifically for the homeless or persons in extreme poverty. One important element seen in various local policies is an attempt, which is particularly innovative in Italy, to more effectively connect intervention for the homeless with housing policies. These initiatives may, nevertheless, suffer from cuts to budgets, especially as a result of the cuts made in the transfers of funds from central government to regions and municipalities. Even where substantial progress has taken place, the new innovative culture of intervention rarely translates systematically into concrete initiatives, and the new services it has produced are insufficient. Emergency oriented policies are still the rule rather than the exception at local level.

In *Sweden*, the withdrawal of central state involvement from housing and homelessness issues, financially and in terms of regulation, as well as the local state’s reduced interest in housing provision and changed priorities for its public housing, left a vacuum that has been gradually filled with local homelessness policies. These have emerged at the municipal level with local social authorities as the main actor and developed partly through collaboration with NGOs and private landlords. Their core component is the secondary housing market which has partly replaced both institutions and regular public housing. The paradox is, however, that no matter how comprehensive and elaborate these homelessness policies have become, they have not solved or even reduced the homelessness problem. The reason for their failure is first and foremost that they are unable to open up the regular housing market to the homeless.

In the municipalities, homelessness is clearly identified as a problem to be addressed by local social authorities within the framework of individual services and measures against substance abuse. Social workers, however, have in most municipalities little possibility to formally affect housing allocations, although many try to persuade landlords to accept their homeless clients as first-hand leasers or as sub-leasers. Several municipalities have given social workers special responsibility for homelessness to support and control the growing number of subtenants and to act as out-reach workers. Shelters and hostels are sometimes run by the municipalities, but more often by NGOs that are paid by the municipalities, either for the whole institution or for each bed / night. Besides the local social authorities and NGOs - mostly Christian organisations like the Salvation Army or the City Mission which are integrated in the municipal social service provision for the homeless - new kinds of actors have emerged in the homelessness field in recent decades. In the larger cities several for-profit companies have entered the secondary housing market and the shelter business. These companies offer local authorities subleased, furnished flats to (over-)rent for homeless clients and/or provide support and control of subtenants, or they may run shelters or open facilities for rent by the local social authorities.

Following the adoption of the Nordic-type welfare regime in *Finland* during the 1980s and the official adoption of the goal of eliminating homelessness, the government appointed a committee to study the situation of homeless people and to study the measures which would be needed. In this context the networking of public agencies in various sectors and levels of administration, together with NGOs, was initiated. The result was a kind of integral welfare state regime through which the National Housing Board and the National Social Welfare Board coordinated intervention measures and multi-agency practices on the basis of systematic locally gathered information. However, the successful implementation of the anti-homelessness programmes, was not only dependent on financial resources, normative guidelines and up-to-date information. Transversal institutional cooperation, coordination and contracting was also required. The setting up of the Y-Foundation in 1985 was, in this respect, especially important. A central role of the foundation is to purchase individual apartments for re-housing homeless people in normal housing companies in an attempt to avoid the formation of areas and blocks of houses with a social bias. In more recent years the responsibility of municipalities and NGOs in managing homelessness, have been growing. However, EU competitive tendering rules restrict the role of organisations such as the Slot Machine Association especially in financing the construction of housing units and dwellings for vulnerable groups,; such restrictions are all expressions of the ongoing restructuring of Finland's welfare regime. However, neoliberal tendencies in the government of social welfare, health and housing should not be exaggerated. The political commitment to the elimination of homelessness is still alive.

The European 'Social Model'

To the extent that social issues were of interest to the EEC when the Community was founded in 1957, they were considered restrictively in economic terms as matters of market integration, free trade and the movement of labour. In the intervening decades issues of social cohesion and exclusion have come to be recognised by the Community and have, albeit slowly, increasingly been considered in policy debates. This broadening of horizons is the result of two interrelated developments. First, an understanding and acceptance that economic decisions have negative, as well as positive, social and political consequences; that is, they impact unevenly across European regions and through European society. Second, the Community, reflecting its expansion south and east, is now characterised by an altogether greater diversity in which social and spatial, as well as economic, uneven development is clearly manifest. An explicit concern with social and political issues has become increasingly apparent falteringly at first in the Maastricht Treaty, and more explicitly in the social clauses of the 1997 Amsterdam Treaty; talk of a 'Social Europe' is now widespread and commonplace. Yet, in spite of this growing sensitivity to the social, the economic focus of the Community remains privileged. Attempts to develop European-wide social policies have been frustrated by the legal limitations of EU competence enshrined in the 1957 Treaty and by the outright hostility of some member state.

According to Kirsty Hughes, one time deputy head of cabinet for the European Commissioner for Employment and Social Affairs, European economic and social policy debates have long split member states into two broad groups. 'On one side are those wanting free and flexible labour markets, less regulation, more competition. On the other, are those wanting higher social standards, regulated markets, labour market protection and more rights for workers'. Clashes between these groups 'reflect fundamental differences on the desirability of new EU laws setting minimum standards to protect and support workers at a time of globalisation - in effect, establishing a minimum European social model'. [11] The UK with Ireland, as free-marketeers, are usually at one end of the spectrum, with France and Belgium supporting stronger social protection and a greater EU role at the other.

In principle, the European Commission can propose legislation covering issues which relate to equal opportunities, discrimination, gender equality, the mobility of workers and working conditions and hours - and has done so. This has resulted in laws regulating parental leave, part-time work and fixed-term contracts and to wide-ranging anti-discrimination law (Larsen and Taylor-Gooby, 2005). However, each country has a different approach to health, education, pensions, unemployment benefit, and social security (different levels of expenditure, different systems, different entitlements, different qualifications). As Kirsty Hughes concludes, no single country provides the model for a Social Europe.

11 Source: http://news.bbc.co.uk/2/hi/europe/4379370.stm (accessed 20/11/05)

As the above examples illustrate, social legislation proposed and passed by the EU is closely linked to economic issues and can be interpreted as an attempt to tackle problems of social exclusion which, the argument goes, threaten to undermine the economic competitiveness of the EU in a fast globalising world. The claim that the economic competitiveness of the EU cannot be sustained against a background of high unemployment, poor health, increasing poverty and low educational achievement may underestimate the degree and level of social exclusion that a successful economy can tolerate, but whether or not economic objectives are threatened by social exclusion, there is an issue here which, for reasons of social justice, needs to addressed. The social clauses (especially articles 136 and 137) of the Amsterdam Treaty, albeit a disappointment in their restrictiveness, were a concrete demonstration by EU member states of both a recognition of and an increasing willingness to address the tension between economic goals and social outcomes; a willingness further demonstrated at the Lisbon and Laeken Summits. However, while issues of social justice crop up in debates over a social Europe, the driving force for social interventions remains the desire to retain and enhance social and political coherence to sustain economic performance. As Larsen and Taylor-Gooby (2005, p. 187) observes, social policy is now seen as '...an element in a supply-side economic policy intended to raise the efficiency of the markets and the productivity and employability of workers'. Lacking the competence to institutionalise or legislate for social change, the EU has opted for the 'soft option' of the 'Open Method of Coordination' (OMC) and the 'National Actions Plans for Social Inclusion' as a way of addressing social goals and objectives at the national level. By means of these instruments the European Commission can coordinate comparisons between various social inclusion (embracing homelessness), poverty, pension, and health and long-term care policies across the member states, and, by means of peer-review, draw conclusions as to what represents best-practice. As Kirsty Hughes observes, this is a huge analytical exercise which produces long, detailed reports of best-practice comparisons; the problem being that 'no one has to pay any attention to what is in them, as the EU has no powers to insist anyone adopts what it decides is best practice'. Such a dismissive and cynical judgement may well prove to be justified in the longer term. [12]
For those interested in issues of social justice, the OMC and the National Action Plans - which in their latest manifestation have been broadened to include reference to housing and homelessness - for the moment offer the a way forward. Further, such a dismissive assessment under-plays and possibly underestimates the potential strength and influence of the subterranean rumble of social and political discontent given recent expression in the rejection of the proposed new EU constitution (see Centre for a Social Europe, 2005; and the European Public Health Alliance, 2005).

12 And this judgement certainly runs counter to the recent optimistic assessment of the commission (EC, 2005)

Conclusion: Neoliberal ideology and homelessness

Our analysis of the changing role of the state in relation to housing and homelessness challenges, at several levels, the hegemony of neo-liberal ideology. The findings of the Working Group clearly demonstrate that the state in Europe (in all its various forms) continues to exercise - albeit differentially - considerable clout in respect to welfare delivery generally and in respect to housing and homelessness specifically. The variable national patterns of welfare delivery and intervention set up in the immediate post-war period continue to exercise a conditioning, if not determinate, influence on the present role of the state. We can perhaps regret that state involvement in terms of policies and resource commitment to the alleviation and prevention of homelessness has not received and still does not receive greater priority and attention, but there is little evidence to suggest a wholesale retreat or retrenchment. However, this is not to conclude that there has been no change in the role of the state. Nor is it to conclude that neoliberal ideology has had no impact; indeed to do so would be to misinterpret and seriously underestimate the influence of this ideology which, for all its association with the crude clarion call of 'market good, state bad', is in reality and practice a much more subtle and for that reason perhaps in the longer term, invidious influence in terms of undermining the structures and principles of welfare delivery that have emerged and matured in Europe over the past 50 plus years.

A recent overview by Brenner and Theodore (2005) of work delving into the meaning of neoliberalism demonstrates that for all its past association with the 'tough' policies of Thatcher and Reagan, it is a far from rigid ideology and is mistakenly seen as a 'fixed end-state or condition'. Neoliberalism does not exist in a 'pure' form, it is more accurately characterised as 'a process articulated through contextually specific strategies' and, *contra* some interpretations, 'hinges on the active mobilisation of state power' (Brenner and Theodore, 2005, p 102). Neoliberalism does not require some crude rolling back (if that implies elimination) of state activity; rather it generates 'a complex reconstitution of state-economy relations in which state institutions are actively mobilised to promote market based regulatory arrangements' (p 102). Nor, according to Brenner and Theodore, does neoliberalism generate a uniformity of outcomes. Specific circumstances and histories determine the precise form of this 'reconstitution'; neoliberal outcomes are in this sense very much path-dependent. A further important point emphasised by Brenner and Theodore is to remind us that neoliberalism is often far from a coherent project and its execution is often contradictory - neoliberal failures reinforce calls for resistance and encourage contestation by a variety of social movements determined to preserve non-market and socialised forms of organisation and welfare delivery (e.g. Centre for Social Europe, 2005). The strength of neoliberalism, however, is in its ability to evolve, to learn from its mistakes and to 'reinvent itself politically, organisationally and spatially' and, most ominously for homeless people and vulnerable people at risk of homelessness, to do this 'in close conjunction with its pervasively dysfunctional social consequences' (Brenner and Theodore, 2005, p 103).

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