



“Housing inclusion and welfare reforms in times of economic recession - Lessons from Greece”

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The speaker

- ❑ I am Professor of Social Security Law in the Department of Business Administration (Unit of Health and Welfare Management) at the **Athens University of Applied Sciences** (known also as the Technological Educational Institute of Athens); I represent the University in **HOUSING EUROPE** - The European Federation of Public Cooperative and Social Housing as the Vice-Chair of the new Ad-hoc ***Working Group for Housing Systems in Transition***.
- ❑ I was commissioned by the Greek Government as the senior policy expert for “*The Green Paper on the National Social Inclusion Strategy*” (Greek Ministry of Labour, Social Insurance and Welfare, 2013-2014), the Coordinator of the *National Social Inclusion Strategy* and the *National Strategy to prevent and combat homelessness* (2014-2016).

Social Inclusion and Housing policies in Greece

Greece is the EU Member State most impacted by the 2008-9 financial crisis, given that there were neither primary social safety nets for those unable to meet their needs through market or family settings, nor supplementary policies in case of specific needs, as social housing regimes. The national social protection model was strongly fragmented, and public spending was focused on civil servants salaries and state pensions.

Greece was until the end of 2016 one of the very few EU Member States without a Guaranteed Minimum Income scheme. A pilot GMI scheme was launched in November 2014 and a national roll-out started in January 2017 through the establishment of the Social Solidarity Income scheme.

The fragmented social inclusion agenda of the Greece's creditors

A **fiscally neutral** welfare reform (particularly through the introduction of a national Guaranteed Minimum Income scheme, which should abolish all current welfare schemes) was a secondary priority issue within the context of the three *Economic Adjustment Programmes* (Bailout Programmes), which were implemented since May 2010 by Greece and major lending international partners (European Commission, European Central Bank, International Monetary Fund): the *First Programme* was launched in May 2010 and committed a loan package of € 110 billion, the *Second Programme* was agreed in March 2012 with a loan package of € 130 billion and the *Third Programme* was agreed in August 2015 with a loan package of € 86 billion over three years (2015-2018).

These Institutions identified serious problems and shortcomings in the regulation and funding of welfare, and they adopted - through the introduction of specific “*social clauses*” - a controversial social policy agenda with strong financial but limited social effects.

Main trends of the domestic housing market

- Although Greece continues to have a high **ownership share**, Home Ownership Rate reached a record low in 2016, given that it decreased to 73.90% in 2016 from 75.10% in 2015 (Home Ownership Rate averaged 75.62% from 2003 until 2016, reaching an all-time high of 77.20% in 2010).
- In addition, the Greek **housing market** is strongly affected by the drop of GDP per capita, the shrinking of residential lending and the rise in taxation. Real estate taxes have grown up by approximately 6 times (€ 3bn.) in the five-year period 2010-2015; in 2016, Greeks paid a total of €3.5 billion in property taxes, up from €3 billion in 2014 and from just €500 million in 2009.
- The market currently is an “outlier” of the European markets, with a 41% decline in house prices between 2008 and 2015 and a 72% drop in transactions volume within 2008-2014.

Housing affordability as a major social issue

35.7% of the population (almost 3.825.000 persons) were at risk of poverty and social exclusion in 2015 (23% of people aged 65+ and 36.7% of people aged 0-17), while **21.4%** were living below the EU statistical poverty line (income set at 60% of the national median equivalized disposable income); **21.5%** of the population were at a situation of severe material deprivation and **17.2%** of the active population (people aged 0-59) were living in low work intensity households.

Costs relating to housing (they include rental or mortgage interest payments but also the cost of utilities such as water, electricity, gas or heating) are the main items of expenditure for a substantial section of Greek households. In 2015, **Greece was the EU Member State recording by far the highest proportion (40.9%) of the population living in households where housing costs exceeded 40% of their disposable income.** The share of the population living in overcrowded dwellings rose by more than 0.5 percentage points between 2014 and 2015, while the proportion of people experiencing severe housing deprivation rose by more than 0.7 percentage points

What about homelessness?

There are no official estimations about homeless persons or persons unable to meet effectively their housing needs through the private market. Public authorities have not adopted yet relevant criteria and indicators, although specific recommendations based on the FEANTSA European Typology on Homelessness and Housing Exclusion (ETHOS) have been put forward in the **Greek National Strategy to prevent and combat the lack of housing.**

However, international organizations emphasize a significant increase (25-30%) between 2009 and 2016 in homelessness in Greece, while data from the 2011 National Population Survey (National Statistical Service of Greece) provide a preliminary profile of groups at high risk of homelessness:

- **42.942 persons living in a houseless context**
- **3.381 persons living in a roofless context.**

Homelessness as a new social risk

Homelessness was for the very first time recognized as a new social risk by the art. 29 of the **Law No. 4052/2012**:

“1. The homeless are recognized as a vulnerable social group to which social protection is provided. Homeless persons are defined as all persons legally residing in the country, who lack access to safe and adequate accommodation, owned, rented or freely released, and which would meet the technical requirements and basic amenities for water and electricity.

*2. The homeless include particularly those living in the streets or shelters and those who are hosted, out of need, in institutions or other forms of institutional **care**”.*

A few programmes to combat homelessness were adopted since 2014; but they focused on humanitarian basic needs support rather on active inclusion through social investment.

The Social Inclusion and Housing policy framework during the Economic Adjustment Programmes

- ❑ **The Green Paper on the National Strategy for Social Inclusion (2013)**
- ❑ **The National Social Inclusion Strategy (2014)**
- ❑ **The National Strategy to prevent and combat homelessness (2015)**
- ❑ **The Social Housing Strategy (2015)**

The Green Paper on the National Strategy for Social Inclusion

After the adoption of the *Second Economic Adjustment Programme* (March 2012), the right wing part of the Coalition Government (in power since June 2012) put forward the idea of a national driven welfare reform agenda with the aim to address the lack of a sound social inclusion system. This process was initiated by the Ministry of Labour, Social Insurance and Social Welfare and led in September 2013 to the compilation of the *Green Paper on the National Strategy for Social Inclusion*.

The Green Paper introduced a new framework for the design and implementation of active inclusion policies (*adequate income support; inclusive labour markets; access to quality services*), which included measures to adequate housing.

The National Social Inclusion Strategy

The introduction of an inclusive housing discourse was addressed for the very first time during the design of the **National Social Inclusion Strategy** (NSSI), a common framework of principles, priorities and targets to combat poverty and social exclusion at national, regional and local level. This framework was adopted in December 2014 by the **Ministry of Labour, Social Insurance and Social Solidarity** (MoLSISC) and was endorsed in January 2015 by the European Commission as the policy document fulfilling the respective national conditionality for leverage of ERDF and ESF resources of the Thematic Objective 9 “*Poverty and Social Exclusion*” in the Greek National Support Framework 2014-2020.

The context of the Strategy

The NSSI includes four Policy Objectives:

- a) Combatting extreme poverty;
- b) Preventing and combatting child poverty;
- c) Promoting inclusion of vulnerable groups;
- d) Good governance of inclusion policies.

Each Objective is implemented through concerted Priorities and Measures (package of interventions).

Policies on inclusive housing

The development of policies on social housing and homelessness is a key priority within the first Priority “**Access to basic goods**” of the No. 1 Objective to combat extreme poverty, which includes the following measures:

Measure 1.1.1 – Access to basic subsistence means

Measure 1.1.2 – Access to basic health care

Measure 1.1.3 – Protection in case of crisis

Measure 1.1.4 – **Access to adequate housing**

Measure 1.1.5 – Access to electric power

Measure 1.1.6 – Access to financial services

Measure 1.1.7 – Access to Justice

Measure 1.1.8 – Access to cultural and recreational activities

The National Strategy to prevent and combat homelessness

The National Strategy to prevent and combat homelessness (NSPCH) 2015-2020 was designed in 2015 by the Technological Educational Institute of Athens after a programming agreement with the Ministry of Labour, Social Insurance and Social Solidarity. The *high priority groups* for the NSPCH include:

- rough sleepers, persons living in places or vehicles not suitable for ordinary residence (ex. cars, warehouses, tents etc.) and persons living in temporary accommodation facilities;
- persons temporarily living in institutional care facilities and prisons;
- persons in high risk of losing their home due to economic and social factors.

Key long term Strategic Goals

- No legally and permanently resident in Greece should be denied the access to its owned residence due to absolute poverty.
- No legally and permanently resident should be denied the access to its rented residence due to absolute poverty.
- No legally and permanently resident should have to sleep rough for more than 24 hours in the street due to lack of housing alternatives.
- No legally and permanently resident should have to stay for more than 7 days in a place not suitable for ordinary housing due to lack of housing alternatives.
- No legally and permanently resident should have to spend more than 6 months in a total period of 2 years at temporary accommodation shelters due to lack of housing alternatives.

Key Operational Objectives

- Establishment of an **Inter-ministerial Committee** and a **National Advisory Committee against Homelessness**
- Development of a **Support Services Network for the Prevention of Evictions**
- Development of a **Network for the Referral to Housing of Persons in High Risk of Homelessness**
- Introduction of a **National Programme of rent subsidy (housing benefit)** for households at risk of absolute poverty
- Creation of a **Homeless National Registry** for the immediate registration and monitoring of the target groups
- Creation of an **Immediate Relief System** for the coverage of persons already facing the risk of homelessness

The context of the National Strategy

PILLAR 1	Prevention of Homelessness
Measure 1.1	Prevention of evictions
Measure 1.2	Affordable Housing
Measure 1.3	Access to Housing Benefits
PILLAR 2	Active Inclusion of homeless people
Measure 2.1	Subsistence Needs
Measure 2.2	Housing First
Measure 2.3	Access to the labour market
PILLAR 3	Good Governance of policies
Measure 3.1	Coordination of policies
Measure 3.2	Technical support
Measure 3.3	Networks and Synergies
Measure 3.4	Research
Measure 3.5	Dissemination and Publicity

The Social Housing Strategy

The National Social Housing Strategy 2015-2020 was designed in 2015 by the National Social Research Center after a programming agreement with the Ministry of Labour, Social Insurance and Social Solidarity.

It is not focused on the priority groups of the NSSI (groups at high risk of poverty and social exclusion), but rather on persons unable to meet effectively their housing needs.

It is focused on two key interventions:

a) The implementation of **social housing programmes** for private employees by a new public body in the type of the Workers Housing Organization, which will be supervised by the Ministry of Labour, Social Insurance and Social Solidarity.

b) The introduction of a **means test housing rent benefit** for at least 400.000 tenants.

Conclusions - 1

After a six years financial support by the Economic Adjustment Programmes, Greece remains one of the very few EU Member States without any inclusive housing regime.

But the **Supplemental Memorandum of Understanding** (16 June 2016) of the **Third Stability Programme** for Greece (2015-2018) has determined among other *policy conditionalities* the task that “*The authorities will establish an action plan for a permanent housing policy for the most vulnerable in line with European best practice by December 2016* (2.5.3., p. 20). This plan has not been discussed so far by the left wing Government, although invitations for provision of technical support were send to the Greek Prime Minister’s Office by international networks, as HOUSING EUROPE (December 2016).

Conclusions - 2

- The Ministry of Labour, Social Insurance and Social Solidarity (MoLSISC) regulated in 2012 the risk of homelessness, initiated during 2014-2016 the design of two sectoral strategies (the National Strategy to prevent and combat homelessness and the National Social Housing Strategy) and adopted specific humanitarian aid measures
- The Financial Ministries focused on the regulation of citizens' debts in line with their income level, as well as on the protection from auction of individuals' owned primary residence.

Conclusions - 3

- Although the final drafts of both Strategies (with an Operational Plan) were submitted in May 2015 to the MoLSISC in order for the implementation to start, until the present day the left wing Government has not initiated any implementation activities and **there is no indication of future progress.**
- This is a key sociopolitical issue open to different interpretations, that may be of interest to global and comparative research agendas on a) inclusive housing policies during austerity times, and b) the treatment of homeless as single beneficiaries of humanitarian basic needs support.

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