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**"Social Innovation to Tackle Homelessness: Re-enforcing the role
of the European Structural Funds "**

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I see my role as sharing with you some background information, ideas about the environment in which the next generation of cohesion policy will be harnessed to address homelessness.

We meet one day before the decision of the European Commission on the next multiannual financial framework for 2014-2020 will be taken and when EC adds final touches to the regulatory framework for all future policies to be financed from EU budget. The European Parliament has already voted its position on MFF. Your major concern of today - how can European cohesion policy contribute to tackling homelessness through social innovation - will depend on many developments which will decide on how far and how fast we will move in this area.

Europe is coming out of the crisis. But without doubt our road to full recovery will be difficult and most likely it will take us some time. We meet at a time when the full effects of the crisis for social

dimension of our life are not yet fully known. Many people have lost jobs and many have not entered labour market. Fiscal consolidation can have dramatic impacts on public finance. But it is also true that except for 4-5 member states with unimaginable sovereign debt problem in majority Member States budgets grow.

We all know that social policy is largely the competence of Member States but there is a space for Europe to act. And this space is growing. It is true that while new construction of economic governance is gradually emerging and EU is investing in mechanisms of closer coordination of its economic policies, the focus is on economic growth and macroeconomic stability. Social concerns do not feature visibly in this strand of reforms. European semester will bring into European debate and under European monitoring all national policies with budget consequences, but again hardly the presence of others than economic policies is seen (pension reforms, labour market participation, education).

But independently of these reforms, crisis has also put high on the political agenda of both Member States and the European institutions the challenge of protecting the most vulnerable. Solidarity between people has emerged in debates and actions and with growth catching up, the space for social dimension of our public consensus will be expanding.

This we can expect not only because of crisis consequences but also because the new Treaties give the Union explicitly the task to pursue the promotion of the well-being of the peoples of Europe,

full employment and social progression, as well as the combat against social exclusion.

It is in this spirit that the Europe 2020 Strategy has put forward programme which not only aims at the recovery of Europe after the crisis, but also, and beyond that, at turning it into a smart, sustainable and inclusive economy, while keeping the European vision of a social market economy.

As I said protecting the most disadvantageous and vulnerable to a large extent belongs to national area of responsibility as it is linked to actions within such areas as social protection systems, health, education and housing. But surveys demonstrate that nearly 75% of our citizens expect the Union to play an important role in this field.

There are already on the table or at early stages of implementation European solutions embedded in Flagship initiatives, like the agenda for new skills and jobs and, indeed, Member States have agreed on the first ever EU poverty reduction targets - taking out of poverty by 2020 at least 20 million citizens.

The Commission has launched the European Platform against poverty and social exclusion. This means that we recognise that huge effort is needed and to be effective it must be concerted among many partners and stakeholders.

Of course poverty and social exclusion have many causes and a variety of syndromes. Tackling them effectively requires a holistic

approach and actions across many policies. Without doubts exploiting fully the potential offered by European budget is an important element of this holistic approach.

We must also look at how social innovation can contribute. There is an accumulated wealth of examples, of new approaches, of reformed mechanisms. Poverty and exclusion have been targeted by social policy innovation for some years now. So indeed we do not start from scratch.

In particular, when it comes to EU budget and specific financial instruments that address exclusion and poverty, innovative approaches can increase so badly needed efficiency and effectiveness. It is possible to achieve higher returns of EU public investment.

In the debate on the next MFF which is about to enter its negotiation phase, focusing on social innovation could help increase the return on investment no matter whether we support action to raise employment, to tackle poverty or to achieve improvements in social housing. The challenge is to achieve more with the same funding.

We must remember that in many countries European social goals require also large investment in infrastructure supporting services - social, educational, health and housing related.

We emphasise that economic challenges move fast and we have to keep pace with them to be competitive and grow capacity to

generate sustainable jobs. But so do the social challenges. Many social needs to be met effectively require new instruments and new approaches.

That is why I agree with you that social innovation is the path to embark on. In some actions we can be more effective, faster achieve better outcomes and results and better quality - these can come with social innovation.

The crisis creates new hyphenated phenomena of "socio-economic" nature which require innovative approaches. We need a more innovative MFF with new instruments, but also using existing ones in a more effective way. We can respond to mushrooming challenges more effectively and efficiently if we do not miss the opportunity to create new solutions. That's why your meeting is both timely and needed.

What I am trying to say is that there is no reason to exclude responses to social challenges from innovative thinking and acting. We must be smart also in fighting poverty, homelessness, unhappiness.

Of course all those challenges form already today an integral part of cohesion policy (e.g. support for social housing with special focus on marginal groups). My feeling is that the fact that we are going to have a Common Strategic Framework for all structural funds means that at least four directorates of the EC can jointly design innovative approach to social challenges. This increases the opportunity for social innovation to be fully exploited. By

working together we can better understand the needs of those who can benefit from innovative actions in the social sphere. We can better use existing good practice. We can act at all levels of European governance.

You know better than I do that the number of Europeans living in poverty has not diminished. The number of those at risk is above 80 million. Somebody said it would be the biggest member state. Fiscal consolidation will affect social expenditures. National strategies, actions at regional and local level, action at European level, support for social innovation in responding to growing needs and finally efficient use of every euro of the EU budget to support active inclusion - this is a framework for actions. There is no reason not to see homelessness within this framework.

So let me go back to where I started. We will get MFF, then regulatory framework, then the Common Strategic Framework. We will have negotiations of contracts, conditionality and priorities. Partners will participate. There is both time and need to be active for you and stakeholders with a view to see what is needed in regulations and other documents.

On homelessness we know enough on the basis of current experience to feel convinced that we must move towards new approaches and look for new more effective methods of both preventing and tackling homelessness. The last European conference of December 2010 has indicated the need to move towards "housing led" approaches. The recommendation to move away from seeing homeless people as passive recipient of help

towards participating approach is very much in the spirit of EU2020 and cohesion policy.

There are many other issues that you know better than I do. Having an EU homelessness strategy would certainly help us as we need a well orchestrated effort. And I am convinced that moving down to regional and local level and opening further up European funding can take us faster to effective solutions.

Let me conclude by assuring you that you have partners in the European Parliament who care for well-being of people and who will spare no effort to see that European value added of the next MFF exploits the European potential of social innovation.