



What do National Organisations Have to Say About the Cost of Living Crisis?

This article provides an overview of the effects of inflation and the cost of living crisis on the homelessness service sector in France. It explains different government measures that have been rolled out in response to the crisis, and how they struggle to hold up to the challenges homelessness service providers face. From difficulties to recruit staff, increasing energy bills and higher prices for food and other resources, the homelessness sector in France is struggling heavily in the current climate, with the most vulnerable paying the price.

THE COST OF LIVING CRISIS: WHAT ARE THE IMPACTS ON HOMELESSNESS?



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With an inflation rate in the euro zone of 9.9%, inflation is a primary concern in France. In October 2022, INSEE (the French National Institute of Statistics and Economic Studies) recorded a 6.2% increase in consumer prices after a 5.6% rise the month before, with escalating prices of energy, food and manufactured products being seen as a result. These various increases have effects on the entire population, although people experiencing homelessness are more vulnerable, as their ability to meet their primary needs for food, clothing and housing are greatly hindered. Indeed, what can be done when the social and financial contexts do not allow or no longer allow people to cope with these increases?

The French government has implemented a series of measures to counter the effects of inflation such as re-evaluating the minimum wage (€1678.95/month) and social minima, implementing a tariff shield on energy prices, distributing energy vouchers or even limiting the rise of rents to 3.5%. These measures, which tend to target vulnerable households, help to mitigate the effects of inflation. However, due to the allocation criteria, they do not reach, or very little, the populations affected by homelessness. This is the reason why people in homelessness are often guided towards the services of the social sector which are invested in the fight against homelessness in different ways.

While the health crisis had already accentuated the precariousness of food aid recipients, inflation is reinforcing this effect. Thus, the number of food aid beneficiaries in Île-de-France continues to increase, as 34.8% of food centres in the Ile-de-France region reported a sharp increase in the attendance of people who received food aid in 2021. Similarly, the survey carried out in October 2022 by ANDES (National Association for the Development of Solidarity Grocery stores), found the same trend among their network of 515 grocery stores, with 72% of respondents noting an increase in beneficiaries, 56% of which attributed it to inflation.

These effects are also visible in the accommodation sector, as the manager of Cites Caritas, an emergency accommodation centre for families, declared that he has already been asked twice by families for an increase in the amount of relief (amount given to families without resources) due to inflation, with families declaring that they “can’t get by anymore”.

In the social sector, accommodation and supported housing services are also impacted at different levels, namely on operating costs in connection with energy expenditure but also on the ability to take on new demands from people living in increasingly precarious conditions or for those whose financial situation has worsened.

To support the organisations that combat homelessness, several measures have been taken by the government such as the price shield for gas, which is set up for the moment until December 2022, making it possible to cap regulated gas prices. Some accommodation systems dedicated to asylum seekers or beneficiaries of international protection have also seen their funding increased to take into account the cost of electricity, water, gas and energy as well as the salary increases of certain social workers.

Albeit welcomed, these measures do not however seem sufficient to reassure the various actors involved who continue to express their concerns and are looking for solutions to contain the effects of inflation, both on the support and services offered, but also on the people concerned, as they wonder how to adapt to the new reality. For example, in the October 2022 edition of its magazine, UNAF0 (Professional Union of Accompanied Housing) indicated that “energy cost increases are a major concern for managers because their organisations cannot face these expenses” thus showcasing the concerns of the sector, as these increases will generate potential deficits or will result in establishments

and facilities shutting down. UNAF0 has therefore formulated a series of proposals which “aim to find suitable and lasting solutions to help associations support this economic increase” and limit the effects of inflation on households currently in the adapted housing stock.

The associations managing accommodation centres fear that the protective measures launched by the government will not be sufficient to fully cover the effects of inflation, both for their energy expenditure and for the material aid provided to the people they support, who must also be reassessed. In relation to this issue, a manager of accommodation centres noted that he has prepared his 2023 budgets by including an increase linked to inflation, while indicating that he is uncertain of whether this estimate will be accepted or if public authorities and the funders of the programmes will cover the necessary costs. Negotiating with funders for them to finance these costs is an uncertain endeavour, which can ultimately impact the future of these programmes. If these questions are shared among organisations, regardless of their scale (local, regional or national), then the difficulty of anticipating the amount of costs linked to inflation within structures and the ability to take them considering must be highlighted. This is especially true when considering that organisations are unable to cover the costs within a specific timeframe (be it weeks, months, etc.) given that funders tend to deliver payments with delays or over longer periods of time. This context truly threatens the future of these programmes and services, and even of the managers themselves.

In addition to the beneficiaries, the associations are also seeing the effects of inflation on their employees, with growing precarity for certain professionals, in particular for those whose salaries have not been increased beyond the minimum wage. With generally low

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salaries, professionals in the social sector are also bearing the full brunt of inflation. Some types of jobs have benefited from a salary increase through the payment of monthly bonuses (Segur or Laforcade), however, administrative and technical staff, who are generally those with the lowest salaries, have been excluded, as have certain categories of social workers (such as operators in charge of calls to the 115-emergency number for people experiencing homelessness in France). This issue, which continues to concern the sector greatly, is combined with inflation and induces precarity within the sector of social work as it faces a recruitment crisis. Several professionals have voiced the difficulties they face to be able to meet their own needs as they question their ability to support vulnerable people when they encounter financial difficulties themselves.

Beyond stakeholders in the social field, inflation also hinders the ability of other actors to mobilise. The La Cloche association notes that inflation is beginning to impact its network of charitable traders, citing the example of a charitable launderette project which distributes free tokens to homeless people. “The 400% increase in electricity bills for the owner weighs on their ability to offer free washes” and therefore requires readjustments to take this parameter into account. The current economic context also results in a decrease in the offers of products and services certain shopkeepers are able to provide. The same is true for the solidarity grocery stores of the ANDES network, as some have had to change the way they operate due to a weakened supply. These revisions might include a reduction of the quantity or the quality of the foodstuffs (38%) they offer or even a change in who they can support, as they are forced “to deny access to a portion of the vulnerable population as they cannot accommodate their needs”.

Discussions with all the actors involved show that inflation is first experienced as a challenge due to the uncertainty it generates in the sector, both in terms of the effects on care and support but also for the long-term continuity of these services. Indeed, the preservation of certain support measures for people experiencing homelessness (day or night reception centres, food distribution services, care facilities, etc.) is in question as is the safeguarding of more permanent infrastructures (such as university hospitals, etc.) and ultimately associations themselves. Another consequence of this situation is that the social sector attracts increasingly less people, when it was already facing a recruitment crisis because of the post-Covid context. Without the commitment of its hundreds of thousands of professionals, and the continuity of the sector’s infrastructure, it is the vulnerable people, and first and foremost the homeless, who will pay the price of rising prices.

A spokesperson from the DIHAL, upon being asked about these topics, noted that “the administration is currently trying to quantify the effects of inflation on the services in order to try to bring the necessary corrective measures”. Let’s hope that these efforts are successful and that the resulting actions measure up to the needs of the various actors involved in the fight against homelessness to maintain services and infrastructure.