

## CHAPTER 7. SOCIAL COHESION

### 1. Definitions

#### 1.1. Defining social housing

There is no precise common definition of social housing in Europe. Social housing is generally defined from the perspective of the *housing providers*. The intervention of public authorities and the existence of allocation procedures are often referred to as the only criteria to distinguish social housing from other forms of housing.<sup>i</sup> Thus, housing which is regulated by public authorities to some extent and for which non-market allocation procedures exist, could then be defined as social housing.

Another criterion often referred to in order to define social housing is the motif of the landlord. It is generally accepted that social housing actors are not-for-profit or for-limited-profit.

It is probably also of interest, however, to try to define social housing from the perspective of the (*vulnerable*) *housing consumers* who cannot be decently housed by the private housing market. Considered in this light, social housing is the housing to which (very) vulnerable groups have priority access. In this case social housing is not only about providing the physical housing but also the (social) support for vulnerable housing consumers.

In relation to the issue of definition it is useful to look at a recent decision of the European Commission (N 89/2004) concerning state aid for loans for social housing schemes. The Commission decided that the state aid was allowed because social housing in Ireland clearly targets the most vulnerable housing consumers and can therefore be considered as a service of general economic interest. We believe that the Irish definition is valuable because it tries to integrate both above perspectives.

#### 1.2. Defining social cohesion

This is probably not the right place to elaborate on issues of definition. It is necessary, nonetheless, to clarify what we understand by social cohesion, before we can analyse the role of social housing as promoter of social cohesion.

There are divergent views on the definition of social cohesion. There is clearly no precise common understanding of what social cohesion means. Nevertheless, social cohesion became a popular concept amongst social scientists and policy-makers during the last decade of the 20<sup>th</sup> century. The concept of ‘social cohesion’ is frequently used in an international context, especially by important intergovernmental bodies such as the OECD, the Council of Europe, and the European Union<sup>ii</sup>. We believe that the vagueness and ambiguity (or from a more positive perspective - flexibility) of the concept make it quite popular amongst policy-makers especially in an international environment.

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<sup>i</sup> See for instance the definition of Cecodhas (the European network of social housing)

<sup>ii</sup> The *Lisbon Objectives*, which are the basis for the EU’s economic, social, and environmental policies, includes the objective to create a society capable of greater social cohesion. See Conclusion of the European Council of Lisbon (2000).

Much confusion exists concerning the interrelation of social cohesion and other commonly used concepts – especially social inclusion. We will try to clarify the concept of social cohesion and its relation to social inclusion.

We believe that social cohesion is a societal concept, while social inclusion is a process or situation that relates more directly to the individual. This is further illustrated by the fact that the right to social inclusion is part of human rights legislation<sup>iii</sup>, while there is no right to social cohesion.

Social cohesion is the process of developing a community of shared values, shared challenges and equal opportunities. One may consider that there are five dimensions of social cohesion<sup>iv</sup>. These have been defined as belonging, inclusion, participation, recognition, and legitimacy. This paper would like to look at the role of social housing in promoting social cohesion in each of these dimensions.

### ***Belonging – Isolation***

A cohesive society is one in which citizens share the same values. People feel part of the same community. The feeling of belonging is very important at the local level. Isolated people are seen as a threat to cohesive communities.

It is obvious that access to housing is a precondition for people to feel part of a community. Homeless people do not feel part of the wider society and there is no such a thing as a *homeless community* (let alone a cohesive *homeless community*). Homeless people do not share the same values and challenges. This proves that housing is the first condition for normal social interaction and consequently for creating a feeling of belonging.

Social housing should offer people who have no access to housing, and are therefore isolated from the community, adequate housing options.

The feeling of belonging also relates to the society as a whole (e.g. national or regional identity). It is clear that social housing cannot have an impact on the feeling of belonging on this scale.

### ***Inclusion – Exclusion***

This is probably the most relevant dimension of social cohesion. Social inclusion rests primarily on the issue of equality of access for all, in all areas of life whether social, economic, or cultural. Yet, this equality of access is increasingly problematic because market forces now govern many of these areas. It is obvious that vulnerable groups are the first victims of the privatisation and *commodification* of housing.

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<sup>iii</sup> See Revised Social Charter Art. 30 of the Council of Europe.

<sup>iv</sup> We build on extensive research produced by the Canadian Policy Research Centre on the issue of social cohesion. See following website for more info <http://www.cprn.com>

Social inclusion is about equal opportunities and equal conditions for all, i.e. for every individual. The concept of social inclusion should not be used in relation to communities. Inclusive communities can produce social exclusion. Social inclusion applies to the individual and can sometimes be in conflict with social cohesion (where the needs of society take priority).

Equality of opportunities is only possible when there is a constant effort to reduce the inequality of conditions.

Access to housing is a key determinant of equality of opportunities. It is abundantly clear that people living in insecure, inadequate, and/or unaffordable housing do not have the same opportunities. They have a much higher risk of experiencing poverty, being confronted with (mental) health problems, unemployment, etc.

Social inclusion and the role of social housing will be the focus of greater discussion in the 2<sup>nd</sup> part of this paper.

### ***Participation – Non-involvement***

Social cohesion requires active involvement and participation. It is clear that the voluntary sector plays an important role in order to increase participation. Also the institutional context can facilitate participation. It can be argued that the local level is the key level for promoting participation and thus producing social cohesion.

The role of the social housing is limited regarding the issue of participation, though it is certainly through tenant participation in the management of social housing estates can contribute to a wider atmosphere of participation and involvement.

### ***Recognition – Rejection***

The modern society is a society of diversity and pluralism. Cohesive societies are societies that are able to manage these differences in a sustainable way and to promote pluralism. In cohesive societies public and private institutions should contribute to practices of recognition of differences. Social housing actors can play an important role here, but probably only at the local community level.

### ***Legitimacy – Illegitimacy***

Social cohesion is also about the legitimacy of the intermediary bodies representing the citizens. As mediators, these bodies need to be truly representative and allow enough space to allow mediation to occur. The role of the social housing actors is limited in this respect. We do not believe that social housing actors can be the intermediary between the social housing tenants and public authorities for instance.<sup>v</sup>

## **1.3. The role of social housing actors in light of these definitions**

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<sup>v</sup> In several European countries tenants of social housing have organised themselves into representative bodies.

The meaning of social cohesion depends largely on the problem addressed, the circumstances, and the organisation speaking. Seldom are all dimensions seen as equally important. For some, social cohesion means primarily the capacity to construct a collective identity. For others, the focus is society's commitment to ensuring equality of opportunity for all its citizens, to reducing marginality and its capacity to do so. For still others, social cohesion is about democratic practices or society's capacity to mediate and resolve conflicts.

Since social cohesion is really a concept that applies to society or to wider communities, we think that the social housing actors – in view of the number of people they can reach – can play a limited, though vital, role.

We believe that the role of social housing relates primarily to the creation of equality of opportunity and the reduction of poverty and marginality.

## **2. Social housing and the fight against social exclusion**

Social inclusion is the process by which efforts are made to ensure that everyone can achieve its full potential. An inclusive society is characterised by striving for reduced inequality of conditions and opportunities.

We believe that **social housing must contribute to the development of more *inclusive societies***. Therefore social housing should focus on citizens who are currently experiencing poverty and exclusion. In most European countries the social housing actors are too small to play a major role in developing cohesive societies – as described above.

### **2.1 The Importance of access to housing for social inclusion**

It is abundantly clear that access to decent and affordable housing is of key importance for social inclusion. People who have no decent housing are more likely to live in poverty, to experience ill health, to have difficulties accessing employment, to pass poverty on to their children, etc. It is hardly necessary to go in too much detail on this issue.

Although the key importance of housing for social inclusion is generally recognised, policy-makers – especially at EU level – tend to downplay this relation. It is very common to read in EU documents that employment is the key to social inclusion. Although employment is indeed very important, access to decent housing in a suitable location is often a pre-condition to accessing decent employment that would allow full integration into the society.

We believe the UNECE – and in particular the Committee on Human Settlements of the UNECE – can play an important role in getting the priorities right when it comes to social inclusion.

Housing should be considered as a key part of social protection policies. In all European countries the State provides a safety net for people experiencing ill health, unemployment, old age, etc. For people experiencing homelessness there exists not such safety in order to secure housing. That is why in all European countries, even those with well-developed social protection systems, witness (growing) problems of (street) homelessness. We believe that it is the role of the social housing actors to provide this safety net for people who would otherwise suffer from homelessness or other forms of severe housing exclusion.

## **2.2. Context in which the social housing actors work**

We have said before that the social housing sector in most European countries is too small to play a major role in the area of social cohesion. However, housing is, and will remain, a key determinant of social cohesion. Public policy-makers should be aware of the crucial importance of housing for social cohesion, and at the same time, recognise the limitations of the social housing actors. Promoting the role of housing as a means for social cohesion must go beyond policies aimed at strengthening and broadening the role of the social housing actors.

We would like to argue for a pragmatic approach regarding the role of social housing actors. We believe that the primary role of social housing actors is to address housing exclusion, which is one of the most important – if not the most important - dimensions of social inclusion.

Before defining the role of social housing, there needs to be a careful analysis of:

- The nature and scope of social housing
- The nature and scope of housing exclusion
- The political and institutional context

Since social housing actors in most countries are largely supported (financially) by the public authorities, we would expect their role to be as cost-effective as possible.

### **2.2.1. Main relevant features of social housing actors**

- In most European countries the social housing actors own a relatively small part of the housing stock. In Southern European countries especially, and in most of the former communist countries, the share of the housing stock owned by social housing actors is often very small. Therefore, the potential impact of the social housing actors on the housing market is relatively minimal.
- Most social housing actors see it as their main role to provide affordable housing for rent. However, an increasing number of social housing units are sold to sitting tenants in order to promote home-ownership.
- Social housing actors often target a relatively broad spectrum of the population. Only in some countries – such as Ireland and the UK – are the most excluded people a priority or even a statutory target group.
- In most countries state funding for social housing actors is being reduced or growing at a reduced rate. Therefore, social housing actors are increasingly obliged to find alternative sources of funding – especially in the private sector (i.e. matching funding). This has an effect on their possibilities of targeting the most vulnerable.<sup>vi</sup>

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<sup>vi</sup> There are only a few countries where social housing actors are funded (almost) completely by the public authorities such as Ireland.

- In most countries the public housing stock has been transferred to private social landlords. The private social landlords are rapidly becoming the main providers of affordable housing for low-income groups.
- New organisations are being created that provide affordable housing for low-income groups, which are not part of the traditional social housing actors.<sup>vii</sup>
- Social housing actors are increasingly providing *housing-plus services*. These are services that are not directly related to the provision of housing such as social support services.

### **2.2.2 Scope and nature of housing exclusion**

- A rapidly growing part of the population experiences housing problems – mostly problems related to affordability.<sup>viii</sup>
- Problems of housing exclusion affect an increasing part of middle-income groups of the population – especially in large cities.<sup>ix</sup> Housing exclusion is no longer a prerogative of the poor.
- All European countries face the problem of homelessness, which in many countries is a growing and/or worsening problem.<sup>x</sup>
- Most people suffering from (severe) housing exclusion need a variety of support services to access and retain housing.<sup>xi</sup>
- A substantial and growing number of people experiencing, or at risk, of poverty have no other option than to look for (mostly inadequate) housing options on the private or informal housing market.
- A growing percentage of the people experiencing housing exclusion are home-owners (especially – but not only - in the former communist countries).

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<sup>vii</sup> In several countries social rental agencies have been created which help vulnerable people to access housing on the private market. (see for instance the *Agences Immobilières à Vocation Sociale* in France)

<sup>viii</sup> In a country like Hungary for instance it is estimated that about 3 million people – i.e. app 1/3 of the population experience housing problems. (See Yearbook of Housing Statistics 2003 published by the Hungarian Central Statistical Office). The Quality of Life Survey – conducted by the European Foundation for the Improvement of Working and Living Conditions in 2003 – provides a valuable picture of the scope and seriousness of housing exclusion. (See website of European Foundation)

<sup>ix</sup> In cities such as London the public authorities have to take special housing measures to keep key-workers (such as teachers and nurses) in the city.

<sup>x</sup> For definition of homelessness and update of statistics, see FEANTSA's annual statistics review (<http://www.feantsa.org>)

<sup>xi</sup> Support related to (mental) health, employment, finances, education, etc. For more information, see Bill Edgar, et al - Supported Housing – 2003.

- Most evictions – one of the most important triggers of (severe) housing exclusion – happen in the social housing sector.
- The biggest single category of household expenditure is housing in most EU Member States.<sup>xii</sup>

### **2.2.3. Political and institutional context**

- In many countries the State does not consider itself (any longer) as a major actor directly intervening on the housing market.<sup>xiii</sup>
- Most countries have *subscribed* to the constitutional right to housing.<sup>xiv</sup>
- In most countries the State reduces *brick&mortar* subsidies (supply subsidies) for individual housing subsidies (demand subsidies) in order to address the growing problem of housing exclusion.<sup>xv</sup>
- In most countries the principal objective of housing policy is to promote home-ownership.  
<sup>xvi</sup> In many countries, most public housing expenditure is spent on the promotion of home-ownership.

### **2.3. The role of social housing actors: the need for targeting**

We believe that the impact of social housing actors on the housing market is relatively limited in most countries. The problem of housing exclusion has grown to such an extent, that the social housing actors cannot, and should not, have (the main) actor responsible for addressing it.

However, we believe that the social housing actors can alleviate the problems of the most vulnerable housing *consumers*. Better targeting of the scarce resources available to social housing actors is necessary to ensure a visible and cost-effective impact.

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<sup>xii</sup> In most of the 10 new member states of the EU people still spend most of the household budget on food, but the housing costs are increasing rapidly. (See The social situation in the European Union 2004 published by the European Commission)

<sup>xiii</sup> In many countries there is a clear shift from the role of the State as provider of housing to an *enabling* role for the State.

<sup>xiv</sup> Many countries have included the right to housing in their constitution, All European countries have adopted the Universal Declaration of Human Right and the International Covenant of Economic, Social, and Cultural Rights, which include the right to housing (respectively articles ---- and 11).

<sup>xv</sup> Some research has shown that demand subsidies are more difficult to manage but can be more (cost-) effective. We believe that there needs to be a balance between both forms of support depending on the specific context. In countries with a lack of supply of housing, it is probably less appropriate to prioritise demand subsidies.

<sup>xvi</sup> The limits of home-ownership are visible in some of the former communist states. We believe that home-ownership rates of more than 90% are clearly not sustainable.

For social housing to be more targeted, social housing actors should be obliged to develop clear, detailed and transparent allocation mechanisms.

### Why is more targeting difficult?

- Social housing actors might argue that the current budgetary framework does not allow them to target the most vulnerable (which normally are the least profitable). This argument is certainly valid. We believe however that public funding should allow social housing actors to target the most vulnerable. If social housing actors do not house the most vulnerable, who will and how?

It is clear that housing vulnerable housing consumers can be a source of profit for unscrupulous landlords on the private market. Because of the lack of social housing reserved for vulnerable groups, there is a lot of competition for substandard (sometimes very bad) housing on the private housing market. In most countries the private market provides bad housing for the most vulnerable. This is clearly an unacceptable situation.

- Social housing actors might argue that it is not possible to target the most vulnerable because it will create poverty ghettos which will be unsustainable in the longer run. Social housing actors might argue that mixing different social groups in social housing creates sustainable communities.

The issue of social mix is very complex and is often used in an unnuanced way. We believe there is not yet sufficient scientific proof that socially unmixed communities are not sustainable. Mixing people in housing is maybe not as important as mixing people in other areas of daily life where mixing happens more naturally (school, culture, sport, shopping, etc.). We do not want to argue against the principle of social mix, but it cannot be used to exclude the most excluded. Other alternatives should be considered as well, such as alternative methods of housing management, investments in the immediate housing environment, increasing offer of social services, and mixing the housing rather than the people.

- Some social housing actors might argue that housing the most vulnerable is not their role as housing providers, because these people have no (or not primarily) housing problems but other problems such as health problems, behavioural problems, financial problems, etc.

We believe housing problems and other problems are very closely linked. Many studies have proven the relation between bad (or no) housing on the one hand and bad (mental) health, unemployment or precarious employment, criminality, etc. on the other hand.

It is impossible to separate housing exclusion from the wider issue of social exclusion. Housing exclusion is as much a multi-dimensional issue as social exclusion. It is important to stress that access to housing is a pre-condition to effectively accessing other services (health, education, etc.). It is not effective (and probably also a waste of resources) to provide services to people suffering from serious housing exclusion or at risk of such exclusion in inadequate surrounding such as homeless hostels, low-budget hotels, prisons, or other insecure and inadequate forms of accommodation.

It is the role of social housing actors to offer both adequate housing and other (social) services required by the tenants to help them sustain their tenancies. This can be done by the social housing actors themselves or through close co-operation with organisations that can provide these (social) services. We believe that it is in general easier and more effective to adapt the services to the changing needs of the persons than to change the housing on the basis of the (social) progress of the persons. We would argue for transitional service provision rather than transitional housing.<sup>xvii</sup> Otherwise people get stuck in temporary housing situations (often inadequate), which limits opportunities for successful reintegration in society.

### **3. Conclusion**

Social housing actors have a very important role to play. We would situate their role in the area of (severe) housing exclusion rather than in the area of social cohesion. We believe social cohesion is simply too big a challenge and the social sector is too small to take up such challenge. Therefore we would like to propose to main recommendations:

- 1. Social housing actors should target the most excluded people first.**
- 2. Social housing actors should offer both housing and (social) support services**

#### The social housing actors are only one instrument of public social housing policies

We believe that the growing scope and worsening nature of housing exclusion require a rethinking of social housing policies, which goes beyond a discussion about the role of the social housing actors.

The aim of social housing policies should be to influence the market in order to allow access to **decent and affordable housing for all**. There is a plethora of measures possible. In most countries, public authorities are the main providers of social housing or have a relatively strong influence over the social housing actors and they can therefore ensure that social housing actors target the most vulnerable housing *consumers*. This is necessary because the other measures available to public authorities which are often aimed at the private housing market or at the promotion of home-ownership, are much less likely to have any effect on access to housing for the most vulnerable.

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<sup>xvii</sup> In most European countries a substantial number of the people are kept for too long time in homeless hostels, mental health institutions, treatment centre for drug addicts, youth detention centres, women's' refuges, etc. with the argument that they are not ready to move to *normal* accommodation. In fact this situation considerably affects their chances to reintegrate into society.