



— CECODHAS —
EUROPEAN SOCIAL HOUSING
OBSERVATORY

Second colloquium

WELFARE TRANSFORMATION AND DEMOGRAPHIC CHANGE IN EUROPE: CHALLENGES FOR THE SOCIAL HOUSING SECTOR

Barcelona, 20th of September 2007

Edited by Darinka Czischke

Series of colloquia
**THE FUTURE OF SOCIAL HOUSING
IN THE EUROPEAN UNION**





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EUROPEAN SOCIAL HOUSING
O B S E R V A T O R Y

**Second colloquium on “The future of social housing in the EU”
“Welfare transformation and demographic change in Europe:
Challenges for the social housing sector”**

Barcelona, 20th of September 2007

Colloquium proceedings
Edited by Darinka Czischke

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“The future of social housing in the European Union”



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O B S E R V A T O R Y

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TABLE OF CONTENTS

ORGANISERS AND SPONSORS	06
FOREWORD	07
INTRODUCTION	
Series of colloquia on the future of social housing in the European Union	10
Setting the scene: The transformation of welfare and society: Issues for social housing provision Darinka Czischke	11
KEYNOTE PAPERS	
Welfare transformation in Europe: A comparative analysis Giuseppe Roma	17
Social and demographic change: Issues for housing provision from a Spanish perspective Jesús Leal	22
The Transformation of Welfare and Housing: Reflections from a British perspective Peter Malpass	37
The future of social housing in the EU: Reform challenges in the Czech Republic, Latvia and Lithuania Sasha Tsenkova	45
PRACTITIONERS' VIEWS	
Livio Pilot (Italy)	56
Pablo Aretxabala (Spain)	58
CONCLUSION Darinka Czischke	61
THE AUTHORS	68
ANNEXES	
Annex 1: List of participants	73
Annex 2: Programme of the colloquium	79



ORGANISERS AND SPONSORS



The European Liaison Committee for Social Housing (CECODHAS)

www.cecodhas.org

CECODHAS, established in 1988, is the European network for the promotion of the right to decent housing for all. In its membership it has 46 regional and national federations which together represent over 39.000 public, voluntary and co-operative social housing enterprises in 19 countries. Together they provide over 21 million homes across the European Union. CECODHAS aims at reinforcing the European social model and promoting the values, successes and the vital future role of its members within that model; promoting integrated approaches to sustainable urban development, stressing that the work of social housing providers is the backbone of social cohesion in European cities; and protecting fundamental rights and fight for quality social services, accessible to all. It is funded by membership fees.



CECODHAS European Social Housing Observatory

www.cecodhas.org/observatory

The Observatory is the research branch of CECODHAS. Its main aim is to identify and analyse key trends and research needs in the field of housing and social housing at European level. Its role is to support policy work for the delivery of social housing by providing strategic and evidence-based analysis in the field.



AVS, Asociación Española de Promotores de Vivienda y Suelo

www.a-v-s.org

The Spanish Association of Public Housing and Land Promoters was set up in 1988 at the initiative of 28 companies or public bodies promoting housing and land. Today its membership stretches to almost all public companies in Spain, and it is established in all the country's Autonomous Communities. Amongst the aims of AVS are: implementing the constitutional mandate for public authorities to promote the necessary conditions and establish the relevant norms for making effective all Spanish citizens' rights to enjoy fit and appropriate housing; fostering sustainable building and development; encouraging, structuring and extending the public production sector of housing and land; representing members' general interests; encouraging co-operation and exchange between members and also at European level; and promoting and undertaking research and conferences for improving knowledge and solutions in the field.



Building and Social Housing Foundation

Building and Social Housing Foundation (BSHF)

www.bshf.org

The Building and Social Housing Foundation (BSHF) is an independent research organisation that promotes sustainable development and innovation in housing through collaborative research and knowledge transfer. Established in 1976, BSHF works both in the UK and internationally to identify innovative housing solutions and to foster the exchange of information and good practice. BSHF is committed to promoting housing policy and practice that is people-centred and environmentally responsible.



FOREWORD

This second colloquium of the series of colloquia on “the future of social housing in the European Union”, organised by the CECODHAS European Social Housing Observatory, gathers high-level experts in the field of housing in Europe, both researchers and practitioners, like me in the latter case. We have come together to have an open, critical and rich dialogue on the recent developments on social housing in relation to processes of welfare state transformation and demographic change. Hence, this is quite an ambitious event that the CECODHAS Observatory has organised for a second consecutive time since the start of these series of colloquia. The aim is to increase the shared knowledge in this field, with the view to help the decision-makers but also the providers and managers of social housing in their mission.

This is indeed a delicate task to undertake, as the subject matter chosen for this second colloquium is both highly complex and crucial. The socio-demographic changes and the transformation of welfare systems are the topic of a wide variety of studies and commentaries, as they concern the life of our fellow citizens

at its core: reduction of social protection levels; multiplicity of social risks; ageing population; declining fertility rates; immigration; progressive retreat of the State from social policies... so many trends that influence the way of life of European people. Furthermore, these trends have a huge impact on the provision of social housing, a sector at the core of the quality of life debate.

I would like to invite you to read the papers contained in these proceedings, hoping that they will inform and inspire our action in this field.

Last but not least, I would like to thank the organisations who have generously supported the organisation of this event (AVS, AVS Catalunya, the Diputacio de Barcelona, the Generalitat de Catalunya) and the publication of these proceedings (BSHF – the Building and Social Housing Foundation).

I wish you an enjoyable read!

Paul-Louis Marty
President of CECODHAS



INTRODUCTION





SERIES OF COLLOQUIA ON "THE FUTURE OF SOCIAL HOUSING IN THE EU"

Housing is not a competence of the European Union. However, the increasing recognition of the diverse and significant interactions between housing policies and trends at member state level and the EU policy goals calls for an open and evidence-based debate about these developments. Nonetheless, despite the existence of data and research related to social housing in Europe, the lack of co-ordination between the different sources at European level means that input to the decision making process at EU and Member State level is often lacking. The CECODHAS European Social Housing Observatory aims to ensure that relevant data and analysis is taken into consideration before the implementation of any policies that will have an impact on housing sectors in Europe. With this aim, the series of colloquia on "The future of social housing in the European Union" organised by the CECODHAS European Social Housing Observatory seek to fill this gap in evidence-based reflection and exchange between all relevant actors.

Aims and themes

This series of colloquia stretches over an initial three-year period (2006-2008). The core aim is to bring academics and practitioners together to reflect on the key challenges for social housing provision in Europe over the coming years. The main objectives will be to:

- Have an open and in-depth debate on the future of social housing provision in Europe, looking at the different dimensions of the problem (social, economic, financial, political, etc.)
- Discuss the place of housing in the European social model: a prospective discussion on the future role for social housing providers in the European Union in general, and in the EU member states in particular.
- Discuss the role of social housing in the city of tomorrow / in the sustainable urban development EU agenda.

Unlike similar events on the topic, this conference will have an added value by:

- Its pan-European approach
- Direct exchange between scholars and social housing providers.
- Focus on key issues affecting the sector and on finding new approaches and solutions.

The colloquia will focus on the following themes:

- 2006:** Current developments in housing policies and housing markets in Europe: Implications for the social housing sector.
- 2007:** Welfare transformation and demographic change in Europe: Challenges for the social housing sector.
- 2008:** Urban change in Europe: The place of social housing in the city of tomorrow.



SETTING THE SCENE

The transformation of welfare and society: Issues for social housing provision

Darinka Czischke

The current confluence of processes of welfare transformation and demographic change calls for a reflection on the role of housing provision to cope with changing demands in a context of a decreasing role of the state, changing family patterns and failing markets.

The post-war welfare model was structured as a combination of responsibilities shared by the state, families and the market. This model, based on a male breadwinner and a stay-at-home mother ensured the welfare of the household and high fertility rates. Today, radical changes in both the family structure (higher divorce rates, rising number of lone parents, increasing female participation in the work force, etc) and in the economy (globalisation, flexibility, job insecurity, high unemployment, etc) have brought about the need for a redefinition of this model. But neither privatisation nor the strengthening of the role of the state seem to have the solution, as the former would overburden families and the latter the capacity of the state to respond.

New trends which stand out in this process of welfare reform are, on the one hand, the redefinition of social rights. For some, this has to do with increasing protection of the most vulnerable so as to avoid them becoming 'entrapped' in their situation (i.e. social security to protect individuals from well-defined risks). For others, this means active social policies (i.e. enabling individuals). Currently in Europe, there seems to be a parallel trend towards strengthening the access to social rights, which can be expressed, for example, in the claims for an 'enforceable right to housing' in countries such as France or Belgium.

On the other hand, there is a strong trend in policy circles towards the need for modernisation of social services, a term which has a variety of meanings, ranging from customer-orientation and user-involvement, to increasing efficiency and financial sustainability.

And, last but not least, the discussion of welfare reform needs to take into account the different national traditions and models, which present different challenges and opportunities. In this colloquium, Dr. Giuseppe Roma looks at these different models of welfare provision across Europe, and refers to how new relationships are currently being established between welfare policies and the housing question within a dynamic social and demographic context.

Welfare transformation and housing

How does this relate to housing? Housing plays a central role in the lives of individuals; it is the largest single cost for most households, and its location determines a parent's access to employment and a child's access to education. Housing used to be one of the pillars of the welfare state in many countries, especially in North-Western Europe where the state took a major role in building and investing in large-scale housing projects to meet the shortage. However, today we see a trend towards state disengagement from housing provision in those countries, while there is a parallel trend towards stronger involvement of non-state actors in social housing provision in many countries.

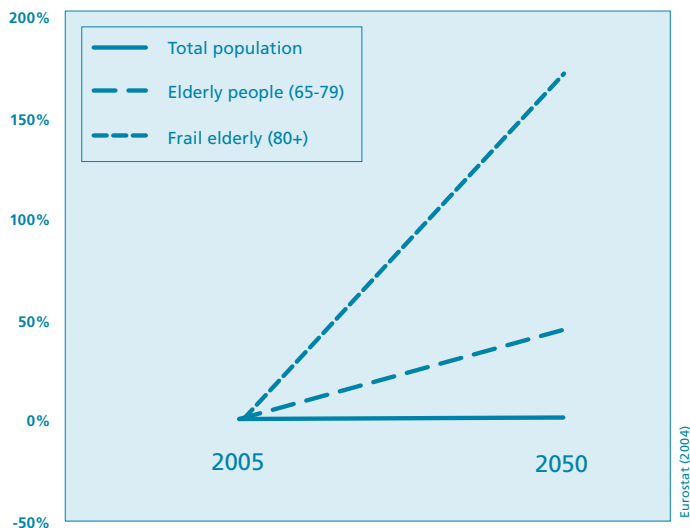
In addition, the shortage of supply in many countries (Ireland, United Kingdom, France, the Netherlands, etc.), the generalised trend towards rent liberalisation and the rate of increase of house prices above the rate of inflation (e.g. France, Spain, Ireland) are some of the factors which conspire against housing affordability – thereby putting pressure on governments to devise effective policies to address the lack of affordable housing, even for "key workers" and the middle classes. In this context, social housing organisations are facing greater demands in those cases where they retain a predominant role to fulfil this mission. At the same time, in many European countries a process of residualisation of social housing is taking place, alongside spatial segregation and stigmatisation of areas with a high concentration of relatively poor households. This situation brings problems of social integration, notably connected to the difficulty in labour market integration. In addition, high levels of child poverty and the lack of positive role models in areas with high unemployment make it difficult for these young people to get out of the circle of poverty and deprivation. (UNECE 2006)



New risks, new demands: What challenges for social housing providers?

Historically, social housing organizations have been charged with the mission to provide adequate dwellings to workers and to people with special needs, such as young households, the elderly or people with disabilities. Demographic change in Europe is leading to an ageing population with an increasing need for social care. In the European Union the current trend is towards smaller households and it is predicted that in 2010 around one third (32%) of the EU-15 elderly population (aged 65 and over) will be living alone. These groups need homes adjusted to their special requirements, as well as access to good services and extra support to allow them to remain independent in their own homes. Moreover, support services and shelters are needed to enable people who have experienced personal breakdown to reintegrate into community life. In addition, the difficulties experienced by an increasing number of young households in the housing market (whether rental or owner-occupied) are making this one of the key target groups of social and housing policies in many EU member states.

CHART 1
PROJECTIONS FOR EU-25'S POPULATION TREND 2005-2050



In line with the above trends, social housing providers across the EU are facing new challenges, specifically with regard to increasing their efficiency in order to face up to staggering budget cuts. In particular, there is the need to cater for changing demands and needs arising from a new profile of social housing tenants. As mentioned above, the traditional model of nuclear family is no longer the 'typical' tenant, but new, so-called 'patchwork' families (product of a higher proportion of diverse and re-composed families), lone parents, large or extended families of immigrants and ethnic minorities. A recent survey² amongst social housing providers across the EU showed that, although to different extents in each country, general social and demographic trends are reflected in a new type of demand for housing for vulnerable households. This demand is characterised by an ageing population that requires the adjustment of their housing to their special needs, allowing them to lead an independent and good quality life in their own homes as long as possible. Moreover, a higher number of households arising from a decrease in household size calls for a more diverse offer in terms of tenure (balancing housing for rent to allow for greater mobility, and affordable housing for ownership for groups such as young families and key workers) and of type of housing (smaller dwellings for a larger proportion of single people households). Last but not least, providers acknowledge the high immigration levels are, or will be, putting increasing pressure on social housing in many countries. At the same time, however, research³ shows that in most EU Member States there are no, or very weak, explicit links between housing policies and policies on integration. This gap highlights the need for greater inter-agency co-ordination between public and social agencies working towards the integration of these groups in their local communities.

Table 1 shows a summary of the main issues identified by the aforementioned survey and some of the main types of responses (policies, practice) by social housing providers in different EU member states. However, there is the need to go beyond a description of the problems and existing attempts to solve these. In this colloquium, we would like to firstly step back from policy and practice and have an in-depth look at the evidence to help us understand

^{1/} Key workers are public sector or service employees (e.g. nurses, teachers, policemen, etc.). Housing policies for key workers aim at facilitating access to housing for these groups where they are unable to afford to buy or rent housing locally on the open market. E.g. nurses, teachers, policemen, etc.



the nature and scope of these changes. The invitation is to open up to a critical debate on the basis of this evidence and the arguments

presented by a diverse range of researchers and expert commentators, as we set out in our next point.

Table 1

MAIN SOCIAL AND DEMOGRAPHIC TRENDS AFFECTING SOCIAL HOUSING PROVISION IN THE EUROPEAN UNION		
ISSUES	COUNTRIES (*)	RESPONSES AND / OR CHALLENGES
Ageing population	Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, the Netherlands, Portugal, Sweden, Italy, Belgium	<ul style="list-style-type: none">• Adapting homes for special needs• Providing services at home
Decrease in household size Increase in number of households	Austria, Belgium, Czech Republic, Finland, France, Germany, Hungary, the Netherlands, Poland, Portugal, Spain, UK, Ireland, Luxembourg	Increasing housing output Tenure diversity
Large and increasing proportion of single households	Austria, France, Germany, Hungary, Spain, UK	Adapting homes
High immigration levels	Austria, France, Greece, the Netherlands, Portugal, Spain, Ireland, Italy, Luxembourg	<ul style="list-style-type: none">• Sustainable communities policies• Local integration programmes/initiatives
Strong presence of ethnic minorities in social housing	Austria, France, the Netherlands, Portugal	Social mix policies, preventing social exclusion

Source: "Housing Europe 2007: Review of Social, Co-operative and Social Housing in the 27 EU Member States" (2007)

Outline of the publication

Looking at all these dynamic processes of change in demographics, society, the economy and policy, we have asked a number of distinguished scholars from different European countries to shed light on these developments. In particular, as it is the aim of this series of colloquia, the intention is to look at evidence and try to establish parallels between countries, while at the same time understanding key differences between them.

Overall, we asked our speakers to address the following questions

which seem relevant in this context:

- What are the main demographic trends that will have an impact on the provision of housing, and specifically of social housing, in the coming decades?
- What is the housing dimension of welfare in the new formulation of this concept?
- How can different welfare traditions deal with new demographics, social risks and changing needs in housing?
- How is housing to be integrated in the new welfare concept in such a way as to increase its potential for delivering social integration?

2/ Full results and analysis of this survey can be found in the report: "Housing Europe 2007: Review of Social, Co-operative and Public housing in the 27 EU Member States", published by the CECODHAS European Social Housing Observatory in October 2007.

3/ See Czischke, D., Blomqvist, P. and R. Pinetti (2007)



Dr. Giuseppe Roma will start by laying out a broad comparative framework on welfare state models across Europe, and the challenges that these models are experiencing in the current context of societal and economic transformation. He will refer in particular to the place of housing policies in this framework. The article by Professor Leal will draw the main demographic (and social) trends that are shaping demand for housing and social housing in particular in Spain and southern Europe, but with a view to identifying convergences and divergences with other European countries. Then, Professor Peter Malpass will present an in-depth view on the process of residualisation of social housing which has been unfolding over the last decades in Britain; his paper will shed some light on the possible consequences of a 'welfare' model which relies excessively on home-ownership to satisfy people's social protection needs. Last but not least, Professor Sasha Tsenkova will refer to the latest developments of social housing in three Eastern European EU Member States, drawing a critique on the current approaches to housing policies in these countries in terms of satisfying housing need.

In a second section, we present a summary of the contributions of each of the two social housing practitioners who were invited to react to the researchers' presentations. Last but not least, the concluding chapter aims at summarizing the arguments presented by the speakers and commentators.

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KEYNOTE PAPERS







Welfare transformation in Europe: a comparative analysis

Giuseppe Roma

Models of European welfare

The European social model in general has always involved a significant focus on forms of solidarity, helping to reduce inequality and to promote development processes with less conflict. This characteristic distinguishes the European from the American approach, which stresses individual responsibility, competition and the market, as the way to produce mechanisms for social promotion; however, the result is considerable disparity, conflict and exclusion.

Europe has thus grown through a series of economic challenges, but with particular focus on social protection.

Within this common framework, we can identify four approaches to welfare with their different configurations:

- The Scandinavian model based on the considerable level of

social services (benefits paid are almost always fixed, generous sums) and high taxation, with considerable organisational integration;

- The British model, with fixed amount benefits (less generous than in the Scandinavian countries), with a universal approach in health care only, and with widespread use of means-testing;
- The continental model (Germany, France, Belgium, Netherlands, Austria and Switzerland) focused on the role of the State as the protagonist in policies for providing support to the underprivileged, assisted by the local authorities, co-operatives and social partners. This model involves a close connection between employment status and social benefits, but there is also a welfare system for those without any income;
- The Mediterranean model, mainly characterised by the considerable role assigned to informal networks, with the family being considered as a protagonist to integrate public policy.

The different traditions in housing policies

In the European panorama, the different approaches to housing

Table 2

THE FOUR MODELS OF EUROPEAN WELFARE	
COUNTRIES	CHARACTERISTICS
Scandinavian countries	Social protection as a right of all citizens Almost always fixed-amount and generous benefits Funding through general taxation Major organisational integration
UK	Universal model only in health care, with widespread use of means-testing Fixed-amount benefits, less generous than in Scandinavia General taxation funding for health, with contributions for the others Good organisational integration
Central Europe	Link between occupational status and social benefits Social insurance with a role of the social partners Welfare network for those without income, opting-out for high incomes
Southern Europe	Universal health care, economic benefits linked to occupational structure Mixed funding Major role for informal networks

Source: Censis, 2007



policy have, especially in the past, emerged clearly in the different distribution of home ownership (direct ownership, controlled rent, market rent) and in the extent of public financial support.

Undoubtedly, this different segmentation reflects the general model of the welfare system. From 1945 up to today, this distribution has partially (and sometimes drastically) changed, together with the changes in public housing policies in the various countries.

Public housing policies were started at the beginning of the 20th century in northern and central Europe, with direct and indirect measures to ensure access to adequate and dignified housing. The most important part of this phase in quantity terms took place during post-war reconstruction, with a large number of dwellings being built, primarily by using public subsidies in the countries of northern and central Europe. This took place in different ways and procedures according to the protagonists involved. In the UK and

the Netherlands, public housing was mostly built and managed by the local authorities; in France and Germany, by delegation to the private sector or public interest companies under public control. It should be recalled that in most of the Northern European countries, public intervention was seen as having a general function of market regulation and re-balancing, taking all the social categories into consideration and not just the poorest classes.

In the Southern European countries, on the other hand, the main basis of public policy has been to provide support to enable families to purchase a home, rather than rent support. In this context, the percentage of expenditure on homes within total welfare expenditure has been (and still is) traditionally low (Table 3), and consequently the role of housing with subsidised rent is absolutely marginal, being reserved, at least in theory, to the poorest and most marginalized families. In Italy the situation is somewhat different; at least between 1949 and the early 1960s, there was considerable

Table 3

DISTRIBUTION OF WELFARE EXPENDITURE BY FUNCTIONS IN PURCHASING POWER STANDARDS

COUNTRY	FUNCTIONS								Total welfare expenditure
	Illness-health	Disability	Old Age	Widow/Widower Pensions	Family-Maternity Child-care	Unemployment	Housing	Other types of social exclusion	
Italy	25.9	6.1	51.3	10.0	4.4	2.0	0.1	0.2	100.0
Austria	25.0	8.3	46.9	1.3	10.7	6.0	0.4	1.5	100.0
Belgium	27.7	6.8	34.2	9.8	7.1	12.5	0.2	1.6	100.0
Denmark	20.6	13.9	37.2	0.0	13.0	9.5	2.4	3.5	100.0
Finland	25.5	13.2	33.3	3.7	11.5	9.8	1.1	2.0	100.0
France	30.0	5.8	37.1	6.5	8.5	7.8	2.9	1.5	100.0
Germany	27.2	7.7	42.1	1.4	10.5	8.6	0.8	1.7	100.0
Greece	26.5	5.0	47.4	3.5	6.9	5.9	2.3	2.4	100.0
Ireland	42.1	5.3	18.2	5.1	15.5	8.3	3.3	2.3	100.0
Luxemburg	25.0	13.5	26.0	10.5	17.4	4.7	0.7	2.2	100.0
Netherlands	30.4	10.9	36.2	5.4	4.8	6.3	1.3	4.7	100.0
Portugal	30.4	10.4	40.2	7.1	5.3	5.7	0.0	1.0	100.0
UK	30.4	9.2	41.3	3.3	6.7	2.6	5.6	0.8	100.0
Spain	30.8	7.5	40.7	3.0	3.5	12.9	0.8	0.9	100.0
Sweden	25.4	14.8	37.9	2.2	9.6	6.2	1.8	2.2	100.0
UE 15	28.3	8.0	41.2	4.5	7.8	6.6	2.0	1.5	100.0

Source: Eurostat (2004)



building of housing to be rented at low rates to the marginalized in the major cities, though less so with respect to northern Europe. In any case, the key role attributed by Mediterranean welfare to the family in the integration of public policy has heavily characterised housing policies. The considerable mobilisation of resources and family networks, together with public subsidies for home buying has enabled these countries to reach very high rates of private home ownership (with reference to the principal residence), especially Spain and Italy.

The reduction of public measures in the housing sector

While the original models were profoundly different, the more recent phase from 1980 onwards, has at least partially modified this panorama. Since the 1980s there has been a constant, general readjustment of policies, characterised by a significant reduction in public intervention; the provision of direct state subsidies for building low-rent housing is on the decline, while there is greater support for access to home ownership.

This trend (many have called it a “retreat”) is first of all related to difficulties in public finances and the lack of resources. However, besides financial restrictions, other factors are involved, including the social and town planning problems linked with some experi-

mental public initiatives for mass housing in the 1960s and 1970s. These were based on standardisation, intensive building (tower blocks and long blocks), and on a large scale and have produced neighbourhoods plagued by segregation and urban conflict.

This readjustment of policies has not only led to a reduction of the resources allocated, but also to a revision of public expenditure in the housing sector, with a shift from house construction to direct support to families to enable them to meet market costs, both for home purchase and to pay rent when the percentage of family income spent on rent exceeds certain levels.

The general convergence of policies to support increasing access to home ownership has also involved countries with a large percentage of rented housing. The reduction of rented housing, taking place at the same time, has thus led to a situation which is quite different from the original one. Between 1980 and 2003, the percentage of rented housing fell from 42% to 31% in the UK, from 58% to 43% in the Netherlands, from 38% to 31% in Belgium, from 21% to 11% in Spain, and from 36% to 20% in Italy (Table 4).

The reduction of public support has also been implemented through policies for the partial sale of subsidised public housing. The most significant case in this respect was the UK in the Thatcher period,

Table 4

Rental housing in European countries: comparison between 1980 and 2003 (%)

COUNTRY	% rental housing in 1980	% rental housing in 2003
Austria	43	39
Belgium	38	31
Denmark	43	40
Finland	30	34
France	41	38
Germany (excluding the former DDR)	61	55
Ireland	24	18
Italy	36	20
Netherlands	58	45
UK	42	31
Spain	21	11
Sweden	39	42

Source: Censis data elaboration on the basis of Housing Statistics in the EU 2004



with the introduction of the “Right to Buy” in the 1980s and the sale of approximately 1.1 million homes.

There has also been a gradual transfer of jurisdiction and resources for social housing to the local level, with non-profit bodies (such as the British and Dutch housing associations), which are more suited to responding to a more complex social demand.

New relationships between welfare, development policies and the housing question

The European Union assigned most responsibility for welfare to individual countries, concentrating more on policies for employment and training for European skills.

Two main factors have led to the changes in the European welfare model. The first one is undoubtedly increased competition due to the international opening of markets. The strategy of encouraging deregulation and competition, with a reduction of intervention by the public sector and greater stimulus to the European economy, has led to a reduction of social policies.

The European challenge in recent years has focused on the objectives of growth in productivity, though mitigated by the call for the “knowledge society”. More than the harmonious growth of the various components of social life, the focus is now on GDP growth, productivity and employment, in order to keep up with longstanding competitors (the United States) and emerging ones, like China and India, which are serious rivals from the productivity point of view.

Social protection has become a factor in producing growth, and welfare has changed into workfare; the employment objective is ‘flexicurity’^{4/}, as a factor of controlled instability rather than real family welfare.

The other element is the eastwards expansion of the EU which has produced a wide gap in currency exchange rates, labour costs and guarantees of social rights.

In this context, we should recall that in Europe, cities and homes (two closely related topics) have long been excluded from measures on the Community level.

The first aspect is important for the political weight attributed to regions with respect to municipalities in the major European countries. In this sense, European programmes like Urban have been courageous experiments to revive the focus on cities and local government;

The second aspect is important for the economic implications of home ownership, and for the risk of providing incentives for a distorted use of public resources to favour some social groups with respect to others.

Indeed, there is a widespread debate at the European level regarding housing policies; it is now especially important due to the end of the long cycle of real estate growth and the occurrence of social and housing problems. These seem to indicate the need for a new period of social housing, after two decades when the implications of housing were underestimated.

This is also shown by a recent resolution by the European Parliament (10 May 2007), requesting the European Commission, in the light of the emerging critical factors connected with housing, to include the issue of residential building in cities and the sustainable development of the regions. The European Parliament has thus launched a definite message, not only to the European Commission and the Council, but also to national governments, so that they will take housing issues into account in policy implementation.

It has become increasingly evident that in the current context, housing issues must be taken into account in connection with the strengthening of competitiveness and European social cohesion. Today, the housing problem is more complex and there are some emerging problems common to many countries, relating to new social and population trends. The fall in demand for traditional family housing has been accompanied by the appearance of “non

^{4/} Editor's note: The recent communication by the European Commission on flexicurity defines it as an “integrated strategy aimed at simultaneously improving flexibility and security in the labour market” (European Commission (2007) Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions “Towards Common Principles of Flexicurity: More and better jobs through flexibility and security”, Brussels, COM (2007) Final, June 2007 (http://ec.europa.ecu/employment_social/news/2007/jun/flexicurity_en.pdf).



traditional" sources of demand deriving from family fragmentation (single-parent families and singles) and from greater mobility for work and study purposes.

The ageing of the native population on the one hand and the rising demand from immigrants on the other (an issue now significantly affecting former emigration source countries such as Spain and Italy), have a key role in shaping an increasingly changing demand pattern.

Finally, in the large cities, the high prices in the real estate market (in the past decade, housing prices have constantly risen in almost all the EU countries), have not only led to a lower capacity of households to consume other goods, but also to social and development effects that contrast with the objectives of the European agenda.

In some European cities, difficulties relating to access to and quality of housing have created social segregation problems leading to the concentration of lower income groups in degraded and problematic urban areas. This is the context for the issue of social integration of migrants, as well as the problems of the outlying city districts, as evidenced by the periodic outbreak of violence in problem neighbourhoods of some European cities.

However, the problems of social housing policies have also produce a more widespread housing problem, no longer limited just to low income groups; for example, difficulties in access to the urban housing market for major social categories such as young people, who would otherwise be attracted to the cities.

The housing issue is thus related to the wider problem of the attraction of European cities for young people, with the increase of their growth potential and the creation of higher quality jobs related to innovative and knowledge-based sectors. There is a need to face the problem of the need for greater geographical mobility in order to encourage growth. These sectors should also be enabled to contribute to achieving the Lisbon agenda.

In this context, Europe cannot leave the task of pursuing social cohesion and development to individual States,, but should also consider housing and employment to be a right to be enjoyed by all Europeans, with protection and support by the EU institutions.

The greater involvement of the public sector with housing issues will obviously require a commitment to create the technical, legislative and organisational conditions necessary to attract resources, organisational capacities and planning skills from the private sector (profit and non-profit), in order to ensure that the housing supply responds to a socially diverse demand.



Social and demographic change: Issues for housing provision from a Spanish perspective

Jesús Leal

Introduction

This colloquium aims to explore the relationship between welfare state transformation, population changes and changes in housing provision. My population will focus on the two latter factors, i.e. social and demographic changes and housing in Spain in particular and Southern Europe in general, drawing links with wider European trends.

Housing is a basic human need, which has resulted in several nations establishing access to housing as a right and has also led the United Nations to recognise the right to adequate housing. Although there is a correlation between population and housing needs, it is not a direct correlation for two reasons. Firstly because it is households rather than individuals that require housing; and secondly because households have changing needs over time and occasionally have access to more than one housing unit. In spite of this, a number of correlations can be identified which can help us explain the changes observed in the housing stock on the basis of household characteristics and, conversely, explain the effects of the household provision system on certain behaviour patterns of the population and society as a whole.

Analysing the housing stock in terms of demographics is essential to gain a better understanding of housing trends and, above all, to explain certain aspects of the housing stock, including a number of general or basic characteristics and certain underlying economic factors. Such a perspective can be especially useful in dispelling some of the uncertainties surrounding the medium- and long-term development of the housing market, thus making it easier to coordinate public investments and providing greater security for private investment in this sector.

Changes in population and housing in Spain over time

The relation between population trends and the size of the housing stock in Spain has changed over the past 150 years in response to changes in household and family patterns. As suggested by Tafunell (1986), development of the urban housing stock over the past 150 years can be divided into three different periods as set out in Table 5.

During the first period, i.e. the second half of the 19th century, the growth rate of the urban population was similar to the growth rate of the housing stock. The reason for this lies in the relative stability of the patterns of family life, household size and residential behaviour patterns. This does not mean that cities did not grow as a result of industrialisation, although in Southern Europe this process took place at a significantly later stage than in other parts of Europe.

Average annual growth rate of the urban population and the housing stock in Spain (1860-2001)

	Time period	Increase in urban population*	Increase in housing stock
First period	1860-1887	1.21	1.19
	1887-1900	0.83	0.82
Second period	1900-1910	1.38	0.74
	1910-1920	1.25	1.03
	1920-1930	2.13	1.66
	1930-1940	1.4	0.81
Third period	1950-1960	1.52	3.17
	1960-1970	1.94	4.85
	1970-1981	1.72	3.46
	1981-1991	0.32	1.66
	1991-2001**	0.58	2.13

Source: X.Tafunell and own statistical processing.
* Municipalities with more than 5,000 inhabitants. ** (Total increase in population size and housing stock in Spain)



The second period, comprising almost the entire first half of the 20th century, was characterised by a lower growth rate of the housing stock in comparison with population growth. This gap can be explained by the increase in average family size in the period, a development favoured to a large extent by improvements in hygiene and a drop in the infant and youth mortality rate. The growth of the population – reflected in the increase in household size – resulted in a greater crowding of the urban population than previously. This time period was characterised by the development of large extended families, which were promoted as part of the national development and expansion objectives. In the southern European countries these trends led to uncontrolled urban growth, including the development of self-build dwellings, as a makeshift solution to meet housing needs. It should be noted that early 20th century cities were often surrounded by a “belt” of shanty towns and even “cave dwellings” – a problem which successive housing policies have tried to remedy right even up until today.

Lastly, the third period involved a significant expansion in construction – exceeding the increasing population growth rate. This was the result of two distinct processes. The first was the gradual reduction in average family size, which in the case of Spain dropped from 4.0 in 1960 to 2.9 in 2001. This change is related to the gradual decline in the number of larger households. Smaller households – particularly single-person households – rose from 7.5% of the total number of households in 1970 to 20.7 in 2001, while larger households (comprising more than four members) dropped from 33.5% in 1970 to 11.6% in 2007.

These changes were accompanied by new residential behaviour patterns, particularly in terms of the proliferation of second (and often empty) homes, the number of which increased vastly in this period. The construction industry experienced a boom in urban areas, whilst in the later part of this period, the population growth rate slackened, thus widening the gap between the growth of the building and construction sector, on the one hand, and population levels on the other. Although circumstances varied from one country to another, it can be said as a general rule that in Southern European countries, population growth in the latter years of the 20th century and the first years of the current decade has been very intense, particularly as a result of immigration. Southern European countries alone account for two-thirds of total immigration

flows into European countries as a whole in this period.

Are we moving towards a fourth period? For conditions to resemble those prevalent at our “starting point” (i.e. the first period under consideration) a number of factors would have to operate, which for the time being seems unlikely to occur. At present, the family/household model shows no signs of stability in any European society. The family continues to change and its average size is shrinking, not only as a result of greater individualism, which is leading more people to live alone as an expression of personal freedom, but also as a result of low birth rates (which are now below the replacement rate throughout Europe) and the ageing of the working population owing to significant improvements in healthcare and disease prevention. As long as this process continues, there will be a gap between population growth and the number of housing units available, although cyclical changes may occur in this proportion because of other factors, such as developments in the mortgage market, planning regulations, etc.

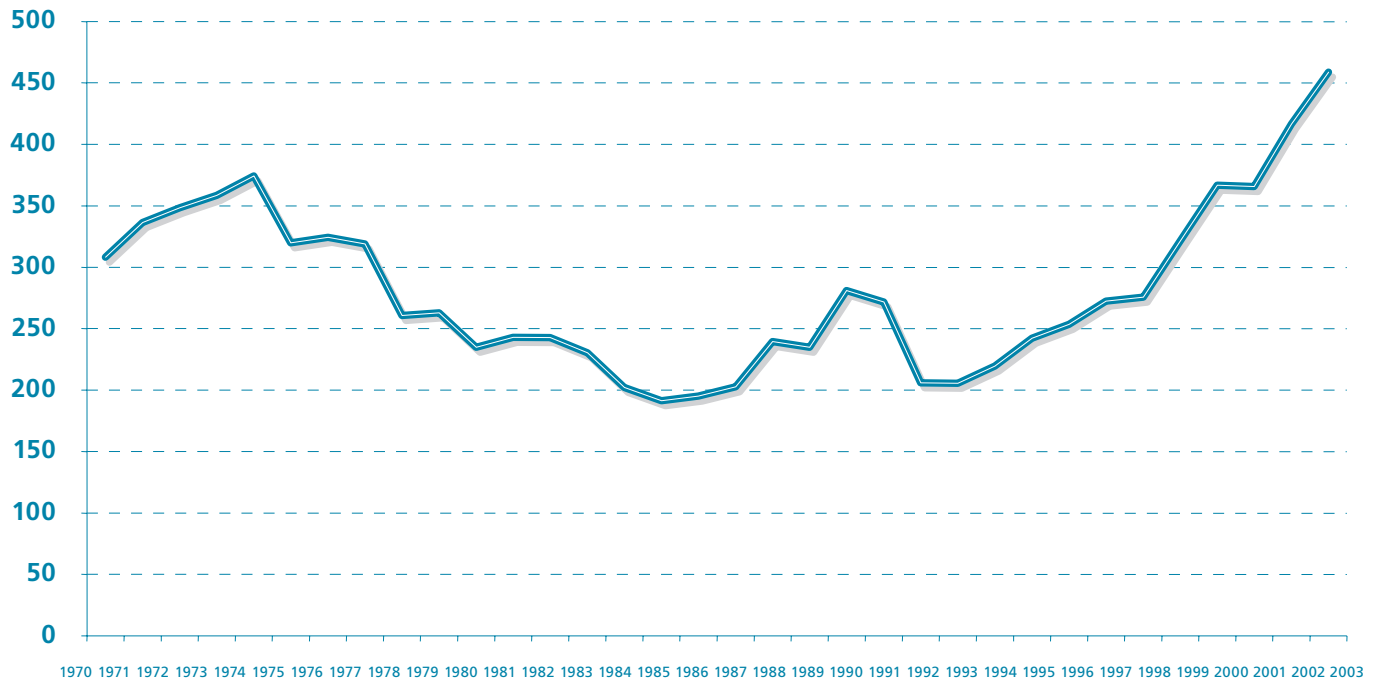
Recent growth

In explaining the sharp increase in housing supply in Spain in recent years (see chart 1), we should not focus exclusively on the dynamics of economic growth, given that the latter involves a feedback process that can undermine its explanatory value. As house production increases, there is an energising effect in much of the economy, since the building sector by its very nature tends to create a large demand for industrial products and can employ a large number of workers with below-average wages and qualifications. These distinctive features contribute to fuelling growth, particularly where the use of mortgages by companies, as well as private individuals, is a widespread means of financing the purchase of real estate.

However, to qualify this kind of interdependence in economic processes, we can use demographic variables, which explain a large proportion of demand on the basis of household change and at the same time allow us to anticipate events through the prediction of future population trends. In this case, the demographic perspective is an essential complement of the economic perspective in explaining changes in the residential real estate sector.



CHART 2
EVOLUTION OF HOUSING UNDER CONSTRUCTION IN SPAIN



Source: Ministry of Development (Spain)

To explain the differences in the growth of the housing sector in Spain in relation to the rest of Europe, we should take as our starting point the increase in the number of households, which is significantly higher in comparison with the European average. In the period 1970 - 1991, the number of households increased by 39.4% in Spain, while in the rest of Europe it only increased by 24% in the same period. In spite of these differences, which are mainly due to the very high number of households in Spain at the beginning of the period, the gap in relation to other European countries is still fairly wide, as shown by the fact that in 2001 the average size of European households was 2.4, while in Spain it was 2.9.

The reduction in the average household size in Spain is mainly due to continuing low birth rates and an increase in the number of

adults who choose to live alone. This seems to explain the significant drop in household size, from 3.3 members in 1991 to 2.9 members in 2001, although this trend is unevenly distributed across different parts of Spain. However, the large number of immigrants admitted into the country in recent years has helped to mitigate this fall, as immigrants tend to have larger households, with over one-third of households living in accommodation that is shared by more than one family. This is especially the case for Latin American immigrants.

The disparity in the increase of household size between Spain and the European average is paralleled – currently in even sharper contrast – by the increase in the number of housing units. In the five-year period from 1997 to 2001, Spain is the country where the larg-

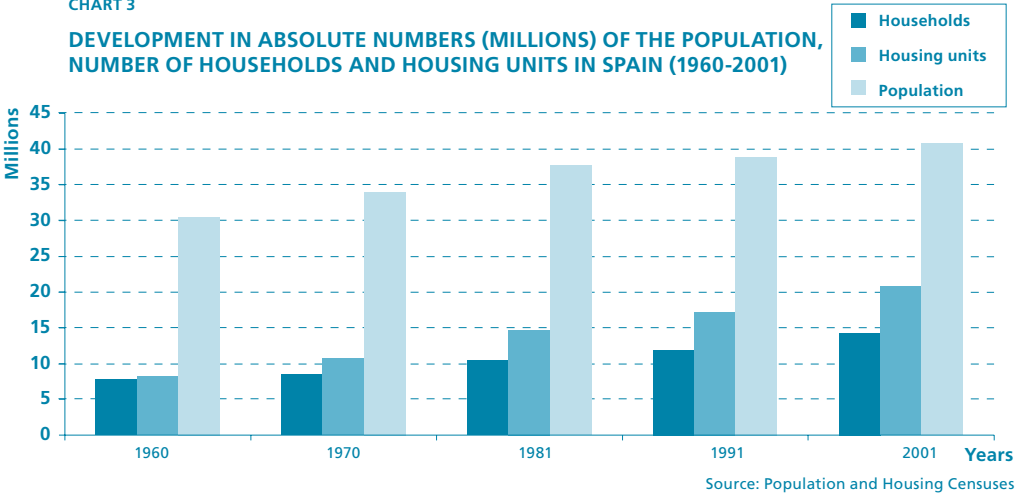


est number of housing units has been built, surpassing Germany by 16%, in spite of the fact that Spain's population is half of that of Germany. Furthermore, the increase in the number of housing units is over twice as large as that observed in more populous countries, such as Italy and the UK.

There are three questions relating to the population's behaviour which will determine the future of the residential real estate sector. The first question is the evolution of family patterns at various stages in the life of the

CHART 3

DEVELOPMENT IN ABSOLUTE NUMBERS (MILLIONS) OF THE POPULATION, NUMBER OF HOUSEHOLDS AND HOUSING UNITS IN SPAIN (1960-2001)



Comparison between the number of housing units under construction in seven European countries in the period 1997-2001

Country	Housing Units	%
Spain	463,640	9.1
Germany	398,700	5.1
France	294,600	5.3
UK	179,980	3.4
Netherlands	68,100	4.5

Source: Euroconstruct 1997-2001 (In the case of Germany, the figures refer to completed housing units)

“household cycle” in any given society. The second is the dynamics of migration flows, which may have an impact on population growth, particularly at local level and the third is the place that will be given among the priorities of households to second homes. Of course the economy and politics will have important repercussions on the development of these three variables, but approaching them from a demographic perspective can enrich the debate, provide an insight into the changes that are taking place, and help to plan for the future.

The fact is that in each country these variables behave in different ways at different points in time. The differences can become even more pronounced, if we limit our observation to the behaviour of the housing sector in large cities. Currently, while in some cities, such as Paris and London, housing supply is lagging behind actual needs, exactly the opposite is happening in Madrid and Barcelona. We find an excessive growth of supply which exceeds demand and results in a high proportion of vacant housing units and second homes. This is due to the fact that housing markets are local mar-

Table 6



kets and generalising from their behaviour is a complex task. As long as demographic trends and housing policies do not converge, it will be difficult to predict general developments applicable to the housing sector as a whole.

Family patterns and residential behaviour: the household cycle and the residential cycle

The starting point for an analysis of the impact of demographic changes on housing must be an examination of household trends. The concept of household is a complex one and often subsumes different meanings depending on the context in which it is used. In Spanish, the term “household” means both the “container” (i.e. the housing unit) and the “contents” (i.e. the group of people who live in a single housing unit), though the latter meaning is more widespread. Statistically, up until the 1991 census the concept of household had a clear economic connotation, being defined as a group of people who share a housing unit and have a common budget. The household is considered the basic economic unit, and the analysis of consumption is based on this unit.

A household is a distinct concept from “family”, given that the latter concept does not necessarily refer to “living together” but does necessarily imply a kinship bond. Although the formation of households depends to a large extent on the composition and dynamics of families, we are not dealing with equivalent concepts. Clearly, however, we cannot understand the changes that are taking place in households without an in-depth understanding of changes in family patterns – so much so that the two concepts are sometimes confused. Bonvalet and Gotman (1993) suggest that a housing unit is above all related to the notion of family and Taltavull (2000) tries to establish direct links between family and housing, whereas other authors, such as Clark and Dilleman (1996), establish a relationship between the household cycle and the housing cycle. In fact, these are complementary analytical approaches. We cannot examine households and their cycle without taking the family into account, even though the rise in the proportion of non-family households may increasingly lead us to take the household as the starting point for our analysis.

In prioritising the concept of household, three situations should be highlighted where “household” and “family” do not coincide:

- Single-person households are by definition non-family households, which are both growing in number and show distinctive residential behaviour patterns.
- Households composed of two or more people who are not related to each other.
- Several families share a place (i.e. the existence of a multi-family household), regardless of whether any kinship ties exist between them.

A household is above all a basic unit of cohabitation, and changes in cohabitation patterns are linked, firstly, to changes in households and, secondly, to changes in the “framework space”, i.e. the housing unit. The current trend towards increased individualism, amply described by post-modernist commentators, is reflected – as far as residential patterns are concerned – in the continual growth of single-person households, which can actually constitute a majority of existing households in the central districts of many large cities. In such households, the residential space is not shared on a daily basis, and thus the relational framework of people living alone has a different dimension. Because of the need for social relations with people outside the home and reliance on nearby services, single-person households tend to be located in the city centre, where transport facilities and access to services are better than in suburban areas.

The increase in the number of households is largely determined by the increase in the number of non-family households, including, in particular, single-person households and other formerly atypical types of household, such as cohabiting couple households with no children, single-parent households, etc.

Comparing the structure and dynamics of Spanish households with the European average can help us understand the differences in cohabitation practices and explain the rapid increase in the number of households in recent years. In 2001, Spain was still the country with the smallest proportion of single-person households (21%) in the European Union as a whole. However, this proportion has continued to increase, reaching 29% by 2005 in the EU-25⁵. However, the spatial distribution of this variable is very uneven. The combined figure for all southern countries is below 24%, whereas



for northern countries it reaches 35%. There are more people living alone in the north than in the south and, consequently, the distribution of the housing stock – measured in terms of inhabitants per housing unit – is also different. We may ask ourselves whether we will eventually reach the European average and completely close the (currently) fairly wide gap between the two geographical areas. There is room for doubt in this respect, given that family patterns are similar in other Southern European countries (Italy, Portugal and Greece) with fairly different degrees of economic development, and this suggests the possibility that in fact Spanish households, together with those in other Mediterranean countries, might follow an inherently different type of pattern in relation to the EU average or simply be somewhat different in relation to existing patterns in Northern and Central Europe. Three reasons might account for the different household patterns found in the south:

- The welfare state, which is described by some commentators as acting as a “family-based” welfare state (Castles, F. 1998, Ferrera, M. 1995), given that the family takes on a greater role where the state fails to intervene.
- The second factor is religion. The Catholic Church deeply influences family behavioural patterns in southern countries. One key concept in this respect is the belief that the welfare state should rely on the head of the family – rather than on individuals taken separately – as its foundation and as an intermediary to distribute the benefits provided by the welfare state itself (Abrahamson 1995). This clearly involves maintaining certain traditional family values and involves a significant difference in household patterns in relation to other European countries.
- Lastly, the process of economic growth which involves a relatively lower degree of industrialisation (except in Northern Italy and in some Spanish autonomous regions) than in Northern European countries. (Leontidou, L. 1996)

One consequence of this is that households in Southern Europe are set up later and are larger, and there is a higher proportion of traditional households composed of a couple with children. Furthermore, young people tend to leave home at a relatively older age, and elderly parents (above 75) often return to live with a son or daughter.

The characteristics of most immigrant households set up in Spain tend to strengthen the above-mentioned differences in comparison with the average European household patterns. Latin American immigrants – who constitute a majority of the immigrant population – show similar family patterns to those found among the Spanish population. This includes the prevalence of the Catholic concept of the family and the maintenance of extended family ties, which are kept strong and often re-established when new immigrants are admitted into the country.

These factors explain the different distribution of household units and different residential behaviour patterns in comparison with other European countries. To analyse these aspects more closely, we shall take the process of accessing independent accommodation as our starting point.

The emancipation of young people and access to first housing

Setting up a separate household and finding independent accommodation for the first time⁶ is a major turning point in people’s lives and has major demographic implications, as highlighted by numerous authors (Jones 1995, Rugg 1999, Leal 2002). For many people this event marks the transition from youth to adulthood, financial independence and complete autonomy in organising one’s daily life. But this turning point has different characteristics in different European countries, both in terms of the age when young people leave the parental home and in terms of how they access their first independent accommodation.

As Clark and Dilleman suggest (1995), the attainment of financial and personal independence by young people can be regarded as a process rather than as something that happens at a precise point in time. When young people leave home at an early stage, the process is frequently “reversible”, i.e. some young people live alone for a while but then return to live with their parents when they face financial difficulties or cannot afford a home of their own. This is why the proportion of young people living with their parents – rather than the average age of young people leaving home or living on their own in each age group – is generally used for statistical purposes, since this gives us a more coherent and consistent picture of the home-leaving phenomenon.

^{6/} Editor’s note: This event is also referred to as ‘emancipation’.



In Spain, the proportion of young people living in the parental home increased progressively until the year 2000, as can be seen from chart 4 below, which also shows that this proportion tends to drop among young people over 25. In 2000, 65% of young males and aged 25-30 lived with their parents, the proportion for young women in the same age group being 53%. This process, which is generalised in Europe as a whole, is paralleled by a rise of the marriage age, which increased by four years in the case of women between 1980 and 2003⁷.

Three reasons are usually given for the increase in the proportion of young people living in their parental home:

- Longer formal education periods. A larger number of univer-

played shows that this variable – together with unemployment – contributes to delaying independence.

- The difficulty in accessing accommodation plays a major role in delaying personal and financial independence. The difficulty concerns both the limited possibilities of buying a home and the scarcity of accommodation for rent.

The small number of housing units available for rent in Spain and, more generally, in Southern European countries in comparison with the European average, influences the delay shown in Chart 4. Not being able to rent accommodation, many young people decide to continue to live with their parents until they are able to define more

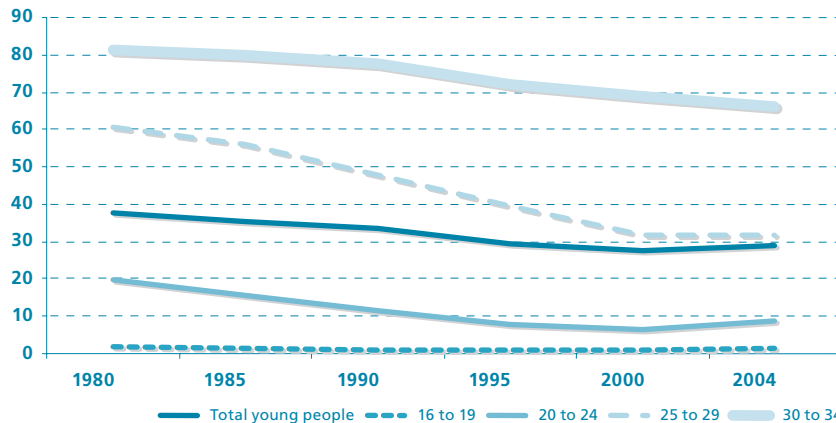
clearly how and with whom they will establish a home of their own (Allen, Barlow, Leal, Maloutas and Padovani 2004). This fact is confirmed by the fact that parents frequently will only help a son or daughter to buy a home when they consider that he or she is planning to establish a stable family, which in most cases means marrying, although this may be changing at present.

This delay in the attainment of personal independence by young people has consequences that have not been entirely explored. The most important one, however, from a demographic point of view, is later motherhood and lower fertility rates – a phenomenon which is exacerbated in Southern European countries, where the demographic changes have led to a sharper fall in the synthetic fertility index⁸ than in other European countries. Currently, most new households require two incomes to be able to afford the monthly mortgage payments for the purchase of

a home, and this is leading many women to seriously consider the pros and cons of giving up work temporarily when they become mothers.

Chart 4

EVOLUTION OF THE PROPORTION OF INDEPENDENT YOUNG PEOPLE IN SPAIN, BY AGE GROUP – 1980-2004



Source: Working Population Survey (EPA)/National Statistics Institute (INE)

sity students means young people start working (and hence become independent) at an older age.

- The labour market, not only because unemployment is higher than average among young people, but also because of the difficulty of finding a first job and because of the precarious nature of the jobs available. The higher incidence of job insecurity among non-independent young people who are em-

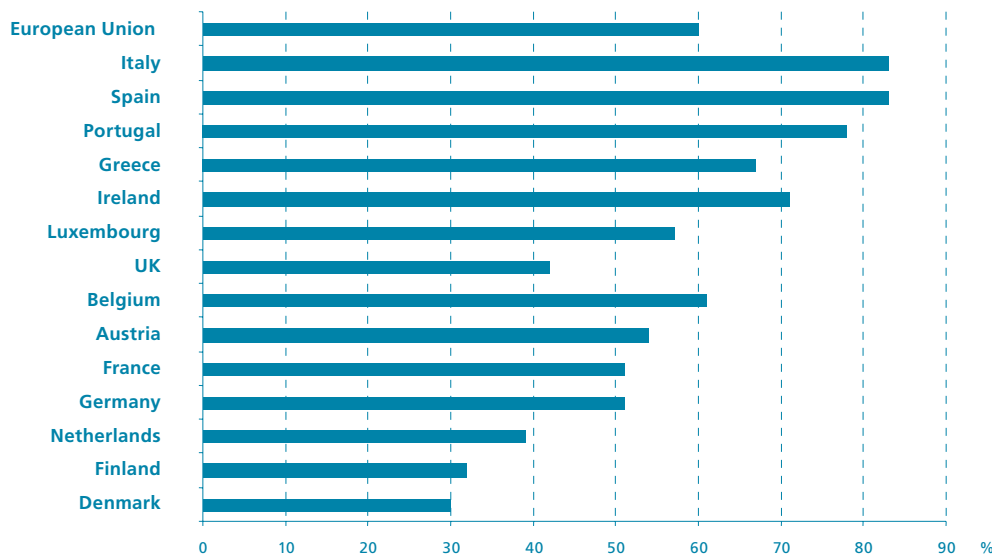
7/ Europe in figures — Eurostat Yearbook 2006-07

8/ Editor's note: the synthetic fertility index refers to the average number of living children by woman.



Chart 5

PROPORTION OF YOUNG PEOPLE AGED 18-29 WHO LIVE IN THEIR PARENTAL HOME IN EU COUNTRIES



Source: "Panel de hogares" 1997 (Household Panel Survey)

The increase in single-person households among older people

The increase in the number of smaller households, consisting of single people or single-parent families is definitely affecting residential behaviour patterns and the housing market. Currently, most single-person households are those of elderly people, mostly widows who, due to the six-year difference in life expectancy at birth between men and women⁹ (five years at age 65) and because on average they are two years younger than their husbands, outlive the latter for a number of years (EU-25, 2003). This results in a numerous population of widowed women whose residential behaviour has changed very considerably in recent years (Laínez 2002). The observed trend towards greater residential independence is contributing to the rise in the number of single-person households. The practice, among elderly people, of returning to live with one or more of their children is becoming less widespread and at the same

9/ Europe in figures — Eurostat Yearbook 2006-07

10/ Spanish National Statistics Institute. 2001 Census

time taking place at an increasingly older age, especially in cases where the son or daughter works full-time and finds it more difficult to care for an elderly parent. However, this practice is still fairly widespread. Currently, in Spain, more than 40% of people over 80 live with one or more of their children¹⁰. This phenomenon is also related to the lack of affordable alternative solutions, including public services such as sheltered residential accommodation and homes for the elderly.

All of these trends have major implications for residential patterns, particularly if we consider that, according to an Eurostat forecast, by the year 2050 the number of over 80s will have doubled to 51 million people¹¹. This implies not only an increase in the number of people living alone but also an increase in

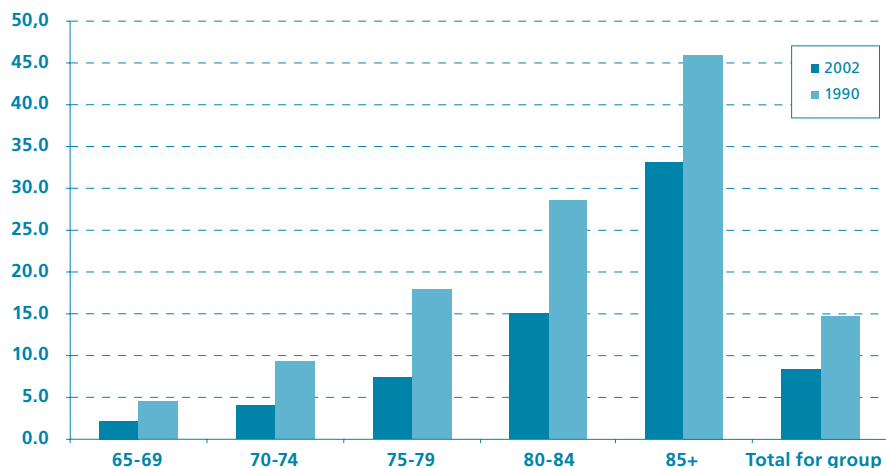
urban behaviour patterns, certain consumption trends, the use of healthcare and leisure services and, more generally, urban lifestyles that were formerly limited to a minority of people. The impact of such developments will be even greater in Spain, where there is a higher proportion of people over 65 in households with three or more members.

The residential problems associated with this greater autonomy on the part of elderly people stem from the fact that the places where they live are often unsuited to their needs. Frequently, elderly people live alone in older houses which lack basic modern comforts such as central heating or a lift in houses which have more than three floors. Often, again, the house is too big for a single elderly person, which leads to a variety of problems in addition to higher maintenance costs and more household work. However, because of the existence of tax disincentives to moving home and also in view of the difficulty that a removal entails for an elderly person, often there is no improvement in the situation.



Chart 6

**DISTRIBUTION IN PERCENTAGES AND BY AGE GROUPS OF OVER 65s IN SPAIN
LIVING WITH THEIR CHILDREN OR THEIR SONS/DAUGHTERS IN LAW (1990-2002)**



Source: Working Population Survey (EPA)

In other countries, the transition into old age, marked by retirement, is usually accompanied by a change of accommodation (Cribier 1988), particularly in the case of people living in large cities. Elderly people move away from the latter, when they can manage to do so, to avoid the high cost of living and the difficult conditions prevalent in cities. At present, however, this phenomenon is not statistically significant in Spain and some inner city areas have a large proportion of elderly people, who sometimes feel trapped in the area where they live, which might be a disadvantaged area subject to environmental degradation. It is therefore necessary to consider the different age distributions of the population in relation to the different

stages of evolution in the life cycle of urban environments.

The increase in the number of elderly people who live alone in recent years, as indicated by some studies (Garrido and Gil Calvo, 1993), results in a significant increase in the number of housing units. If residential independence among elderly people had remained at the same level in 1991 as in 1971, there would have been 400,000 fewer households, which means that the growing residential independence of the elderly accounts alone for 12% of the increase in the number of households in the 20-year period under consideration.

The fact is that, to the lower mortality rates prevalent in Spain today, we must add the low rate of disappearance of households owing to the longer periods during which elderly people continue to live independently. Thus the number of housing units that come back into the market as a result of the disappearance of the households that occupied them is very low, and this has contributed to maintaining housing needs at a fairly high level in recent years. It is difficult to predict what the future holds in store, given that the age cohorts that reach retirement age are increasingly numerous and their ability to maintain a household is also increasing.

Average floor area of housing unit and average floor area per person in relation to the age of the household head.

Age of household head	Floor area of housing unit (m2)	Floor area per person (m2)
20 to 24	77.12	30.72
25 to 29	81.91	31.72
30 to 34	85.23	27.2
35 to 39	89.32	24.91
40 to 44	91.67	23.71
45 to 49	92.46	23.35
50 to 54	92.11	26.52
55 to 59	88.16	30.01
60 to 64	91.33	37.61
65 to 69	87.9	42.16
70 to 74	86.85	48.87
75 to 79	82.22	49.94
80 to 84	83.28	53.27
Over 85	80.37	51.21

Source: 1991 CENSUS and own statistical processing.



Everything will depend on the capacity of the healthcare systems to enable people to live longer in a good state of health, but it is difficult to make predictions in this respect. Some recent developments, such as the provision of “assisted apartments” for the elderly, may prolong even further the life of households, even though the availability of this kind of accommodation is still very limited in the housing sector as a whole. At any rate, it can be said that the potential to increase the number of independent elderly people is still high in Spain, if we consider the gap in relation to the European average and the ability of technology and medicine to enable people to live independently in a good state of health. This leads us to suggest that a significant imbalance may continue to exist in future between the number of new households and the number of households that disappear. Thus the need for more housing may remain strong, possibly exceeding the level required by the creation of new households alone.

Housing for “other” households

Although to a lesser extent than the above-mentioned changes in terms of the emergence and disappearance of households, the rise in the number of households that do not consist of a traditional type of family (i.e. a couple with one or more children) has also contributed to increasing the number of housing units in recent years.

The increase in the number of single-parent and single-person

households composed of young or elderly people (who account for most of the increase in this type of household in other countries) contributes to the rising total number of households. This results from a variety of different factors which converge to favour the emergence of this type of household. However, two especially important contributory factors are the greater independence of those who previously lived in the home of their parents or relatives and the increase in the number of separated or divorced couples, leading to more single-person and single-parent households, at least for a period of time until people re-establish a couple-based family life, if indeed they do so.

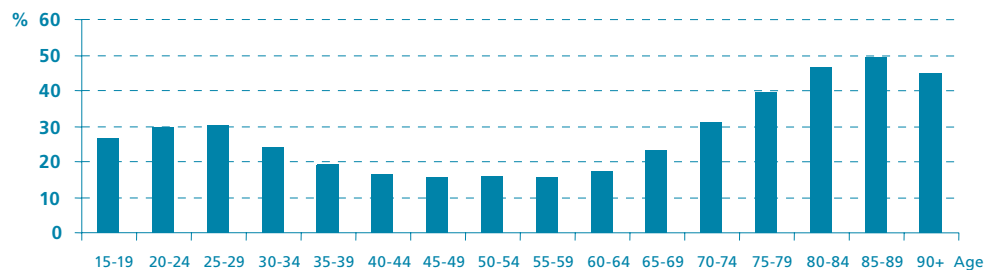
At the same time, it can be said that the current trend is towards an increase in the proportion of young people and adults who live on their own as single-person households. Ideologies which emphasise individuality and which are at the origin of other changes in residential patterns, such as the rise of single-family housing units, also promote independent lifestyles as an expression of personal freedom. The proportion of single-person households among these age groups is currently small in Spain in comparison with other European countries, but it might increase in future if conditions are favourable in terms of availability of appropriate housing and opportunities to achieve financial independence.

At present, in most inner city areas in industrialised countries, single-person households account for more than half of the total number of households, as in the case of Paris, central London, San Francisco etc. This means that in contemporary society residential independence is on the rise in all age groups, but especially among elderly people.

The increase in the number of people who live alone has a significant impact on residential behaviour patterns, as well as on the urban environment in which these households are located. Single-person households tend to be located in city centres, and this can be explained by several factors. Firstly, in the case of older people, they simply continue to

Chart 7

PROPORTION OF SINGLE-PERSON HOUSEHOLDS BY AGE GROUP IN THE MADRID MUNICIPAL AREA, 2001



Source: Census 1991. National Statistics Institute (INE)



live in the places where they have lived for a long time. The growth of cities has turned certain areas which used to be more peripheral into central areas, so that people resident in them eventually find themselves living in the city “centre”. However, single-person households need to be able to rely on a range of services nearby, and because people who live alone usually go out more frequently to relate socially to other people, they also tend to prefer central areas, which are more easily accessible and have a higher level of residential density, which in turn entails that those services – including restaurants, cafes, laundrettes, etc. – are available in the vicinity.

habited by working-class populations. This gentrification of inner city areas is fairly general in industrialised countries and can be considered an effect of the changes that have taken place in the composition of households, as well as in their ethos.

The impact of immigration

The growth of the immigrant population both in Spain and in Europe as a whole is difficult to quantify accurately because of the large number of immigrants who are not included in censuses or have not registered as residents. This difficulty is even greater in Southern European countries, which have experienced more

intense migration flows than other countries in recent years, particularly over the past decade. In fact, according to Eurostat, Spain is the European country with the highest immigration rate in the period 2000-2004 (Chart 7), with a total inflow over this four-year period approximating 3.5 million. This obviously implies a considerable increase in the number of households, although – as apparent from the census figures available for Madrid – the average size of immigrant households is somewhat larger than the national average.

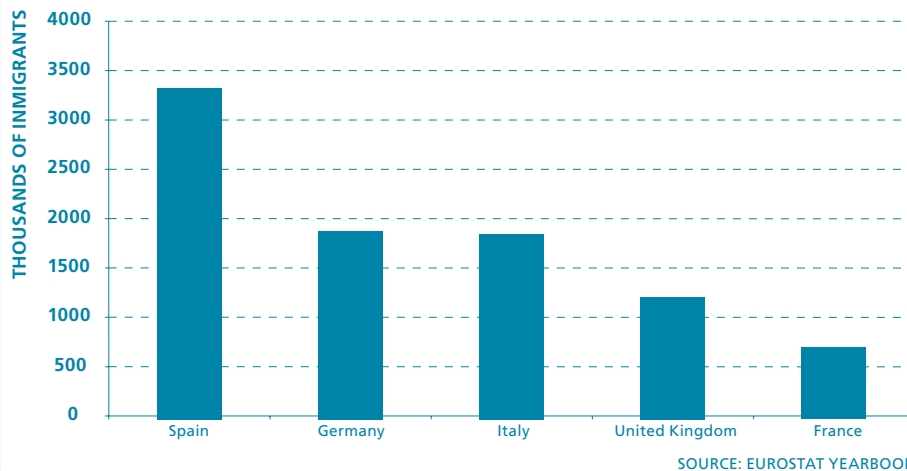
Residential patterns among immigrants differ slightly from those of other households, as apparent from a number of research studies (Leal and

Mayeur 1998). In the first place, we observe greater mobility, with more frequent changes of accommodation. Secondly, the average immigrant household tends to be larger, given the need to share the rent costs, which are high in relation to immigrants’ typical income levels.

Immigrants tend to rent accommodation rather than buy, until they are able to make concrete plans to live indefinitely in the host country. Consequently they tend to live in areas where accommodation for rent is more readily available, as is the case in the central areas of large cities, particularly in disadvantaged inner city areas where

Chart 8

MIGRATION BALANCE IN SEVERAL EUROPEAN COUNTRIES IN THE PERIOD 2000-2004



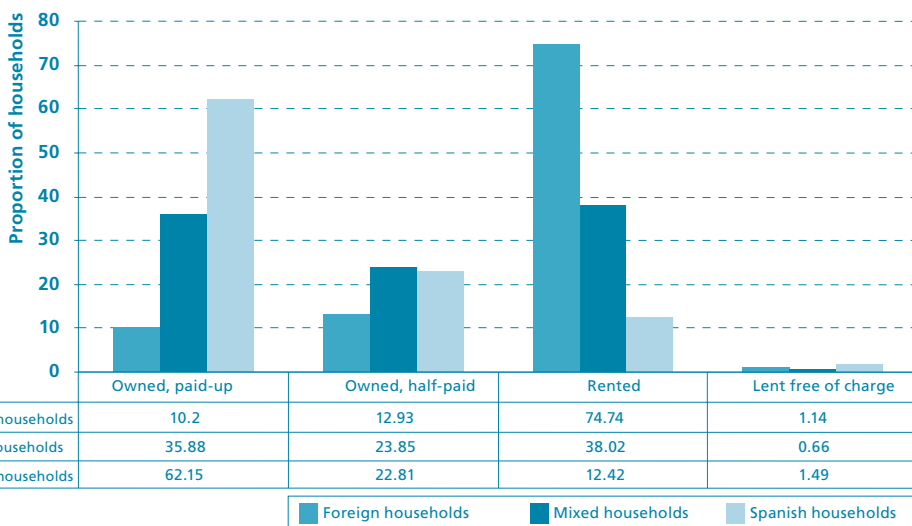
As a result, we find a growing proportion of this kind of household in the central areas of cities, and this is forcing many cities to convert the existing housing stock into smaller units that are suitable for such households.

This demand for accommodation in central areas for single-person households or couples without children – so called “empty nest” households – increases the attractiveness and value of city centres and leads to a renewal of their social characteristics, with an increased presence of middle-class citizens in areas previously in-



Chart 9

TENURE OF SPANISH AND FOREIGN HOUSEHOLDS. MADRID 2003



Source: Survey of housing demand, Community of Madrid

rents are often lower. This fact has led to significant changes in the forms of tenure, leading to higher rents, especially for small flats which are frequently occupied (and overcrowded) by newcomer immigrants. The fact that in some cities, such as Madrid, the trend towards this kind of tenure has slackened is mainly due to the presence of a larger immigrant population in this city. Rented accommodation in Madrid fell from 15% in 1991 to 13.5% in 2001, but everything seems to suggest that this downturn had already started in the first half of the 1990s, which also explains the widening gap in relation to the figures for rest of Spain, which dropped from 14% in 1991 to 11.5% in 2001¹².

On the other hand, the difficulties involved in finding accommodation have also led, in some areas, to the re-emergence of shantytowns, which were seen as belonging to the past following the implementation of the “integration policies” of the 1980s. Only the municipal authorities’ ability to effectively control urban development has made it possible to contain this phenomenon.

To the rise of immigration we must add the increase in the number of households as a result of profound changes in family and cohabitation patterns, leading to a 20.4% rise in the number of households – slightly below the rise in the number of housing units (21.3%) – in the 1990s. It therefore can be concluded that the expansion of the housing stock was due not only to favourable economic conditions but also to changes in the population’s behaviour patterns.

Conclusion

The dynamics of Europe’s housing stock is closely linked to demographic changes, but there is no direct correlation between the

size of the population and the size of the housing stock. The ratio between the two has changed over time, particularly in the last few years during which the housing stock grew at a much quicker rate than the population. The reason for this disparity lies in the changes that are taking place in the prevailing family and household patterns. Thus, actual housing needs in future will depend to a large extent on the evolution of household patterns.

Over the past few years, the size of the average European household has decreased very significantly, although differences can be observed between individual European countries. In this connection, two important conclusions can be drawn. The first is that the trend towards an increasingly smaller average European household has not yet come to an end in any of the EU member countries and is likely to continue in the near future. This means that, in general, the occupation levels of existing housing stock are set to fall. However, this does not rule out the possibility that some housing units may occasionally become overcrowded, since certain social groups find it difficult to access the housing market and thus tend

13/ eurostat-pressoffice@ec.europa.eu

14/ Children under 15 and aged 15 to 24 who do not work and are dependants. eurostat-pressoffice@ec.europa.eu



to share any available accommodation. This is the case with a high proportion of foreign immigrants and young people in the southern countries.

On the other hand, in spite of the shrinking average household size, there is a demand for more housing space per person and therefore, on aggregate, the smaller size of households will be offset by a greater demand for space. People today spend more time than ever at home, whether working or engaged in leisure activities, so there is an incipient trend toward assigning a specific space to such activities in all kinds of homes.

The second conclusion is that, in general, the household cycle has become longer and is subject to greater variability than in previous times. This implies that housing needs will change to a greater extent at different stages of the cycle and, therefore, if we wish to ensure that housing policies are adequate, we shall have to diversify the products even more than before, given that we are confronted by an even wider range of household types.

One solution to the problem is the promotion of residential mobility to provide a better match to actual needs, as well as to the changes in the household cycle and in the labour markets, thus making a more efficient use of housing resources, particularly when they are publicly owned. The hitch is that residential mobility is hindered by the tendency to seek ownership of the property. It is therefore necessary to maintain a significant proportion of social housing as accommodation for rent, regardless of any considerations concerning the spending power of households.

The proportion of single-person households is continuing to increase throughout Europe. In 2005 (EU-25) it accounted for 29%¹³ of the total number of households, with a higher proportion in the north of Europe than in the south, and in inner city areas than in more peripheral areas. This type of household is difficult to categorise inasmuch as its composition can vary greatly in economic and social terms, as well as in terms of age group. Single-person households are more numerous both at the beginning and at the end of the household cycle, but there is an increasing number of households of this type in intermediate age groups as a result of separation and divorce. This poses a problem in some countries where there is a scarcity of adequate housing for this kind of household,

which requires a central location providing easy access to services and transport networks. On the other hand, single-person households need less space than households comprising several people. Many single-person households formed by elderly people, most of whom are widows, have oversized accommodation which exceeds their needs. It should be taken into account that the difference in life expectancy between men and women is very significant, particularly if we consider that men tend to be older than their partners in addition to having a lower life expectancy, and this means that women often live alone for a number of years as widows.

Furthermore, the fall in the number of households with dependent children¹⁴, which currently account for less than one-third of the total number of households in Europe, implies that a large proportion of one-family housing units in suburban areas are no longer an attractive option for a large proportion of the population, including childless couples and single-person households. This fact is already having major repercussions in some large cities such as London, where population levels are dropping in Outer London and increasing in central areas, leading to the conversion of many larger houses into smaller units.

Lastly, throughout Europe young people are achieving personal and financial independence at a later age, although there are vast differences in this respect from country to country. In southern countries, at the highest end of the spectrum, the average home-leaving age is close to 29 (in Italy and Spain). This delay has a major influence on the real estate market and on housing policies. Providing young people with access to housing is becoming a priority objective of social housing policies.

In Spain, rapid changes in household patterns, including a sharp drop in the average household size, have contributed to bringing the situation closer to the European average. However, this process of convergence has also contributed to creating a strong demand for main homes, which has had an impact on prices. Everything points to the fact, moreover, that the process of change has not yet ended and that there is still potential for growth, depending on whether further convergence between European countries takes place and whether household patterns in Southern Europe continue to differ substantially from those prevailing in northern countries. However, in explaining the sharp increase in the construction of



housing in Spain in the second half of the 1990s and the first years of this century, in addition to considering the changes in the composition of households, we must take into account the high number of migrants from developing countries who contributed to exhausting the small rental market and to adding pressure on the housing market as a whole, thus leading to an increase in the construction of housing units in areas with a larger immigrant population. The problem is that while “natural” population growth can be predicted, migration flows are difficult to forecast in today’s increasingly globalised world, and therefore determining medium-term housing needs is a more complex task.



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The Transformation of Welfare and Housing: Reflections from a British perspective

Peter Malpass

Housing in Europe is subject to a number of trends, including the extension of increasingly unregulated markets, the contraction of social housing, and the narrowing social composition of the social sector (Edgar, Doherty and Meert, 2002: 1-2). Individual home ownership is now the majority tenure in all European Union countries, except Germany, and seems set to continue to increase (Doling and Ford, 2007: 114). Setting these housing trends in the context of wider processes of welfare state restructuring is important in two respects: first, it reminds us that explanations specific to housing are likely to be incomplete, and second, it opens up the opportunity to build a fuller understanding of how housing is increasingly closely linked to the transformation and modernisation of welfare states. It is now 30 years since British housing scholars, prompted by cuts in investment in local authority housing and the threat of the right to buy, started debating the idea that social housing was subject to a process of residualisation, leading towards a situation in which it would be reduced to a safety net role, providing exclusively for the poor and vulnerable (Harloe, 1977, 1978, Murie, 1977). This debate was originally informed by models of welfare (Titmuss, 1976), and reference to residualisation derived from the idea that the direction of travel implied a retreat from the extensive, universal post war welfare state towards more restricted and conditional forms of provision.

Britain may have led the way in terms of selling off its public housing in order to boost owner occupation, but other countries have also begun to display similar tendencies, and residualisation is a more or less established trend across the European Union (Priemus and Dieleman, 2002: 191). It is also clear that the process is not confined to so-called dual rental markets (Murie, 2006a: 33). The rise of home ownership and the decline of social housing are inevitably important themes in any discussion about the future of housing in Europe. Another equally important theme concerns the idea that tenure restructuring means that housing is, in different ways, actually becoming more, rather than less, central to 21st century forms of welfare states. This might seem rather contradictory, but it is possible for social housing to become less significant as a wel-

fare state service, while at the same time the relationship between the welfare state and the wider housing market becomes more significant. Indeed, it is possible to argue that the rise of home ownership has not only promoted the decline of social housing but that it has been a Trojan horse within the welfare state as a whole (Malpass, 2006). This paper discusses the implications of both the residualisation of social housing and the idea of a housing based welfare state.

Although the paper is based on the British experience it is an attempt to generalise about the potentialities within housing systems with high levels of home ownership. This is not to imply that what is happening in Britain is also happening, or will happen, elsewhere, but it is to suggest that high levels of home ownership create circumstances that might be exploited by governments looking for ways to cut public expenditure and to redistribute responsibility for individual and family wellbeing. And it is to suggest that if this happens then it has profound implications for social housing.

Residualisation

Space does not permit a detailed review of all the evidence but the residualisation of social housing can be measured in terms of characteristics of the stock, the changing social profile of tenants and the thrust of policy. In the case of Great Britain there is ample evidence of the decline in the total number of dwellings in the combined social rented sector (from about 6.5 million in 1980 to 3.8 million in 2005 (Wilcox, 2006: 103)). The total stock of social rented sector dwellings has fallen by more than a quarter since 1980, and as a proportion of all housing in Great Britain the social rented sector had fallen to 19% by 2005 (Wilcox, 2006). Within the stock, research has demonstrated how the balance between houses and flats has changed, mainly as a result of the much higher rate of right to buy sales among houses (Jones and Murie, 2006). Residualisation therefore means not just fewer dwellings but a reduced range of choices. As it has become smaller the sector has become more obviously a tenure of the least well off and the economically marginal. In terms of the social profile of tenants, key indicators include the increasing proportions of social rented sector tenants with no income from employment. In 1970 11% of households in council housing in England had no one in paid work, but by 2003 the figure had risen to 65% (Fitzpatrick and Pawson,



2007). In 2004 council tenants in Great Britain had average incomes of less than a third of the average enjoyed by mortgaged home owners (Wilcox, 2006). Other evidence (Hills, 2007) shows that social rented sector tenants are more likely than people in other tenures to be:

- disabled in some way,
- single parents,
- members of minority ethnic groups.

These changes have been promoted by a long series of policy measures, of which the right to buy is the most prominent, but allocations and rents and subsidy policies have also been designed to foster residualisation (Malpass, 1990).

Debate about residualisation in the past tended to focus on the process rather than the end point, but thirty years on it is appropriate to ask whether residualisation is a linear process that will continue indefinitely, or is it coming to a steady state (residualised rather than residualising)? Alan Murie has suggested that

...the UK housing system has moved beyond an active residualisation phase into a phase in which the trend associated with residualisation is no longer progressing rapidly... In the next phase of development, the demographic profile is likely to change as the older cohort of tenants departs and the new tenant population are younger and less likely to remain as tenants. This change in demography may mean a more transient role but not a more residual role in terms of income or economic status (Murie, 2006: 29).

This conclusion is backed up by evidence that, for example, the proportion of elderly tenants has fallen in the last 20 years, and by only a very small increase during the 1990s in the proportion of tenants with incomes in the lowest three deciles. Moreover, the shrinking social rented sector, alongside the growing owner occupier sector, means that during the 1990s the proportion of the lowest income groups to be found in social renting actually fell. Murie is quite right to point to cohort effects; for example, the current population of elderly tenants include many who entered social housing when a council house was something to aspire to,

when the contrast was with the generally less attractive private rented sector. But the next generation of elderly people are already much more likely to be, and wish to remain, in owner occupation. However, the idea that social housing is becoming a tenure characterised by greater turnover of younger and more mobile tenants is challenged by the latest data (Hills, 2007), which suggest that there has been a marked fall in the number of relets becoming available. This has given momentum to calls for an end to so-called 'tenancies for life', and a move to tenancies limited to demonstrable need for subsidised housing (Dwelly and Cowans, 2006).

Significantly, the debate is about whether residualisation is continuing or bottoming out: no-one is arguing that it is likely to be reversed (but see Fitzpatrick and Pawson (2007)). Despite hints that the British government, under new management from the end of June 2007, will significantly increase investment in new social rented housing, there is no sign of any policy action designed to reverse the overall decline of the social rented sector. In a speech at the Chartered Institute of Housing conference in 2006 Ruth Kelly (then secretary of state for Communities and Local Government) spoke of social housing as both a safety net and 'a spring board into ownership', implying that tenants with sufficient income should be encouraged to abandon social housing for something more desirable. This is therefore the exact opposite of a policy commitment to social housing as a tenure of choice. And in his report for Ruth Kelly on the future of social housing John Hills (2007) was careful to talk about mixed income neighbourhoods, not mixed income social housing. Reversing residualisation would necessarily imply, amongst other things, a strategy to broaden the spectrum of people in the sector, whereas talk of social housing as a spring board into ownership implies that when tenants can afford it they will move on. In other words, the more effectively social housing works as a spring board into ownership, the more deeply entrenched will be its safety net role.

Towards a Housing Based Welfare State?

In order to understand the future role of social housing, we really need to look at other parts of the housing system as well. Support for expansion of private renting is one aspect of this: there are signs that ministers are relaxed about private renting taking more of the burden of accommodating the least well off. The huge growth of



buy-to-let investment in the past decade is more than a response to housing market conditions. In part it is about people investing in property as a way of securing their long term financial future, in response to low annuity rates, the decline of occupational pensions and suspicion of financial institutions. Inevitably, however, attention must focus on the owner occupier market, on account of its sheer size. It is here that the majority of owners of housing wealth have their investments. We have become used to the idea that successive governments (in Britain at least) have relied on the growth of owner occupation to solve virtually all housing problems; now we need to recognise that governments are hoping to solve non-housing problems in the same way. This has potentially profound implications for social renting.

In the past the growth of owner occupation, encouraged by a variety of policy measures, has helped to undermine and marginalise social renting. Now Britain is in a period where the housing market is being used by governments to pursue a broader programme of welfare state restructuring. The argument to be developed here is different from the thesis developed by Jim Kemeny (1980, 1981, 1995, 2005) and Stuart Lowe (2004). The Kemeny/Lowe position suggests that in home ownership societies (such as the USA, Australia and the UK), there was resistance to the levels of taxation required for the sorts of welfare states associated with the Scandinavian countries. Without entering into detailed debate with that view as it applied in the past (Malpass, forthcoming), the position to be advanced here is that in the present period it is high levels of home ownership that allow governments to press ahead with public service reform. The key to this is that the widespread ownership of housing wealth makes it politically easier to reduce and restructure public services.

The modernised welfare state that has been forged in Britain is based on a freer, more open economy, a greater role for private markets, a reduced role for the state in key areas affecting wellbeing, heavier emphasis on individual choice, opportunity and responsibility and a fragmented pattern of service delivery organisations. In the modern welfare state, the government tries to do less for people, and leaves them to do more for themselves, a strategy that some have referred to a 'responsibilisation' (Garland, 1996). Housing fits very well in this context. Far from being marginalised and separated from the welfare state it can be argued that changes in

housing are increasingly congruent with the wider trend and trajectory of the welfare state as a whole. Rather than housing becoming more different from other service areas it is better to think in terms of convergence around a new set of assumptions and practices. It would be going too far to suggest that Britain is already a housing-based welfare state, but it appears to be moving in that direction. Murie (2007), for example, has suggested that, 'The modernised version of the old welfare state puts housing in a much more central position than it was before, but this is a position which is less to do with the provision of shelter alone and more to do with the provision of a wider base of security and independence'.

But what evidence is there to support the idea that governments are using housing to restructure the welfare state? Before looking specifically at housing it is necessary to locate it in the wider context of the shift from collective provision for individual need that characterised the post war welfare state to the new emphasis on personal provision through saving and asset accumulation. One way of summing up the approach of Britain's New Labour governments since 1997 is that, 'The good citizen is someone who works for a living (thereby making few or no claims on social security), saves a portion of their earnings, and uses their savings to contribute substantially to their own and their family's future welfare' (Hewitt, 2002: 189).

The Government wants more people to enjoy the benefits that assets can bring. For example, the financial buffer that comes from a nest-egg of savings to cushion families if they are hit by unemployment or other unexpected adversity. Furthermore, savings represent an invaluable resource when the time comes for people to retire and savings also help provide choice and opportunity... (www.hm-treasury.gov.uk Saving and Assets for All)

The same Treasury document refers to assets as the fourth pillar of the government's welfare policy (the others being improved job chances, higher incomes and enhanced public services). The idea of asset based welfare (Sherraden, 1991) is that the acquisition and accumulation of assets of various sorts provides people with a route out of poverty. Various schemes have been developed across America, and in Britain the government set up the Child Trust Fund in 2002, as 'a means to equip individuals with the resources they need to be autonomous and self-reliant' (Harker, 2005: 267). The



British government has also set up pilot schemes to encourage saving among low income households (the Savings Gateway).

The link between asset based welfare and home ownership is obvious: for most people their house is their most valuable asset. This is especially true of low income home owners; one fifth of low income retired home owners in Britain own more than £100,000 in housing wealth (Maxwell and Sodha, 2006: 40; see also the claim by Terry and Gibson (2006) that two million older home owners in Britain own over £50,000 in housing assets but have incomes so low that they qualify for means tested benefits). Home owners in Britain are increasingly, and officially, encouraged to see their properties as assets as well as places to live. In 2005 the government launched an initiative to expand home ownership among lower income households; the consultation paper listed one of the objectives as

Enabling more people to share in increasing asset wealth: homes are not just places to live. They are also assets... Support for home ownership will enable more people on lower incomes to benefit from any further increases in the value of housing assets (ODPM, 2005b: 9).

It is true, of course, that there is nothing new about the idea that owner occupation leads to wealth accumulation – the housing white paper of 1953 extolled its virtues in exactly these terms: ‘of all forms of saving, this is one of the best. Of all forms of ownership this is one of the most satisfying to the individual and the most beneficial to the nation’ (MoHLG, 1953). But the context is now very different; then it was the collective postwar welfare state, whereas now the focus is much more clearly on individual responsibility for personal wellbeing, which gives a different slant on the accumulation of savings for personal use, emphasising saving for something, not just for its own sake. In the past home owners accumulated wealth as a by-product of providing themselves with a home; now the idea of homes as assets is altogether more active.

This indicates the extent of the shift from collective provision for these contingencies to the current emphasis on individual responsibility. Official documents and ministerial statements have begun to refer to the ‘wealth gap’ and the importance of reducing it, through expanding home ownership. The term appeared in a major

statement on housing policy (ODPM, 2005a: 20), and in a newspaper article by Yvette Cooper (2005) (shortly before she became minister of housing). She argued that ‘measures to increase access to wealth and home ownership for those on low incomes should be an important part of Labour’s third term strategy for social justice’. The minister argued that encouraging people to acquire savings through property ownership is a good thing because ‘when the rainy day comes, savings help’. This is interesting for two reasons: the strategy for tackling disparities in wealth in Britain through more home ownership, and the explicit reference to the utility of housing assets when the rainy day comes. This is an interesting metaphor to use in this context, given that rainy days tend to come and go, whereas retirement is usually a permanent status; savings that are adequate to be deployed during a short term interruption in earnings might come under greater strain if required to support an inadequate pension indefinitely.

The Limits to a Housing Based Welfare State

From the point of view of governments struggling to meet rising demands with limited resources, the huge amounts of quite widely distributed and lightly taxed housing wealth are very tempting. Increasing the rate of tax on housing wealth is politically very difficult, but it is much easier to implement policies that encourage people to draw down their own housing wealth as and when they need it. This strategy is also in tune with the consumerist ethos of our time. But, the emergence of a housing based welfare state raises as many problems as it solves. The first point to make concerns the possibility that home ownership in Britain may have reached a plateau, despite the government target of a further million home owners by 2010. Dorling and Thomas (2004: 168) report census data showing that the rate of owner occupation in Great Britain grew by only 1.6% in the 1990s, and that had it not been for growth in Scotland, Northern Ireland and the north east of England then the overall rate would have fallen. More recent figures suggest that home ownership actually fell slightly during 2006 (Communities.gov.uk, Survey of English Housing, table 101). A home owners’ welfare state may, therefore, permanently exclude around 30% of the population, requiring alternative means of service provision.

For some people housing wealth is the new social security, enabling them to enjoy peace of mind in retirement, irrespective of



what happens to pensions and other public services. But this is highly contingent on personal and other circumstances: the importance of housing wealth depends on where you look, and when. The problems with the housing market are, first, that it tends to concentrate both risks and rewards, and second, that it is not a unitary market in which prices move up and down uniformly across the country. As a consequence of the latter, housing wealth is very unevenly distributed, its distribution is not well correlated with need, it may not be easily accessible when needed and there is uncertainty about what will happen to the housing market in the future. In general it can be said that people buying high priced houses, often those who have been successful in the labour market, are likely to make larger capital gains than lower income purchasers. Hamnett's (1999: 100) research showed that professional and managerial groups gained almost twice as much as manual groups in absolute terms, reflecting their ability to buy more expensive properties. The housing market seems to reward those who are already better off.

Evidence on regional inequality is provided by Dorling et al (2005: 42), who show that housing wealth is heavily concentrated in the south of England, and that the wealthiest tenth of households possess five times the housing wealth of the tenth with the least housing wealth. Variations in the British housing market are well known and much debated, and their impact on labour mobility is recognised. But the implications for a housing based welfare state also need to be made explicit. The distribution of housing wealth is likely to reflect a number of factors, such as geography and socio-economic status, but not need. In particular, housing wealth is not negatively correlated with pension rights – in other words, the people with the most housing wealth also tend to have the best pension entitlement (Pensions Commission, 2005: 77). Thus housing wealth has a role to play in augmenting pensions, but it is not an alternative (see also Maxwell and Sodha, 2006: 103). The same argument applies in other areas of need: there is no reason to suppose that people who need residential care in old age are those who can best afford it, and good reason to believe that the opposite is the case.

Next there are the linked questions of the amounts of wealth that people own, and whether they can gain access to that wealth. Although a decade of strongly rising house prices may have encour-

aged a lot of people to feel well off, ownership of a house is not necessarily a guarantee of financial security in old age, even if the whole of the equity is realised. Housing wealth can only be spent once: if it is drawn down to pay for welfare costs then it will not be available to help grown up children to enter the housing market, but unless the supply of buyers willing to pay high prices is maintained then the older generation will find their wealth diminishing and/or more difficult to realise.

The Pensions Commission (2005: 78) described the equity release market as 'small and relatively high priced'. There are two main methods of releasing housing wealth: trading down to a smaller house or cheaper area, and buying an equity release product that provides a flow of income in the form of an annuity, funded from a loan against the value of the house (Hancock, 1998, Terry, 1997). Equity release schemes are unattractive where the effect is to reduce entitlement to means tested benefits, and where there is a strong desire not to erode the size of the overall estate to be left to children. The Pensions Commission (2005: 78) took the view that it was a 'very strong' assumption to believe that people could and would liquidate 50% of their housing wealth in retirement. Hancock (1998: 265) concluded that equity release did not have the potential for substantial reductions in poverty among elderly people, largely because the people who needed it most had the least to release.

Looking to the future, it is unwise to assume that the huge volumes of housing wealth currently identified will continue to be available to provide the desired underpinning for personal consumption of welfare services. Strongly rising house prices since 1996 might bolster confidence in continued growth, but could equally lead to the conclusion that an adjustment is overdue. Future macro-economic performance needs to be factored in to any strategy based on property values and deployment of housing wealth. It is also necessary to take account of behavioural factors. The relative ease with which younger, earning home owners can withdraw equity may mean that, in a consumerist society, they enter retirement with unredeemed mortgages, especially if inflation remains low for a long time so that debts retain their real value for longer. This might mean less assistance from parents for first time buyers, who would themselves need to commit to very long term mortgages in order to make house purchase feasible. Alternatively, it might be that



rising property prices increase the level of intergenerational assistance for first time buyers, thus eroding the amounts of equity left to augment pensions and/or pay for long term care (Riseborough and Fletcher, 2006). These are speculations, but the point is that it cannot be assumed that simply because there is a large amount of housing wealth in a society at one point in time it will necessarily be there in future, nor that those who own that wealth will see it in the same way as policy makers.

Conclusion

What does all this mean for the future of social housing? And what conclusions of relevance to a wider European perspective can be drawn from the British experience? The first part of the paper suggested that social renting faces a future in which the process of residualisation may level off, but that there will continue to be changes in the nature of the residualised sector. The key demographic dynamic is the ageing of the population. A growing number of elderly people does not necessarily imply more demand for social housing. Although elderly people have tended to be over-represented in the social sector in the past, in future more people will enter old age as established home owners, and it seems probable that the majority will want to remain in their existing homes. However, it is possible to speculate that if the problems of realising housing wealth continue then schemes might emerge in which elderly home owners move into social housing on terms that require them to use the proceeds of selling their house as substitutes for public services.

Another important demographic factor is migration, and it seems clear that the British government is working on the assumption that economic migrants (as distinct from refugees and asylum seekers) will not generally seek, nor be offered, social renting.

As discussed earlier, there are grounds for believing that social housing in Britain is not continuing to become ever more residualised. But at the same time the adoption of policies to reverse the process is not likely, and British governments seem to have abandoned social housing to a residual role. Social housing and its tenants are victims of the rise of home ownership, which has been a sort of Trojan horse within the welfare state, facilitating the drift away from the principle of collective provision for individual

need that was at the heart of mid-twentieth century welfare states. Social housing has sustained a double hit: first the better off have been drawn off into owner occupation, and the more that people come to rely on their housing wealth for their wellbeing the less likely they are to see social housing as a viable option. Second, to the extent that housing emerges as a key underpinning force in individual wellbeing there is a policy problem about what to do for those who have no such wealth. The expectation would be that the social housing will become more closely associated with both poverty and poor services.

This conclusion is reinforced by the discussion of housing based welfare in the second part of the paper. It is important to recognise here that a housing based welfare state is not neutral in its implications for social housing. The more that governments seek to place housing (and in particular owner occupiers' housing wealth) at the heart of the new welfare state, the more entrenched will be the residual role of social housing. If the emphasis in policy is to encourage people to become more self-reliant in terms of welfare services through property ownership then investing in new social rented housing is not likely to occur on a large scale. The expectation would be that new building would concentrate on various forms of affordable home ownership, including equity loans and shared ownership. The notion of some sort of equity stake for those who remain in social housing is likely to remain on or close to the policy agenda.

In terms of the implications for Europe as a whole, it is important to acknowledge that the historically unusual pattern of social housing provision by local authorities made privatisation easier in Britain than in countries with more independent social housing providers. This may explain why social housing has shrunk more and become more residualised in Britain than in countries such as France and the Netherlands. However, in a globalised, consumerist world there are likely to be similar tendencies, towards more market domination and more residual social housing sectors. Whether housing wealth becomes as important in relation to welfare is more open to debate, because other countries have housing and welfare systems sufficiently different to make a difference, and because other countries might learn from the British experience.



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The future of social housing in the EU: Reform challenges in the Czech Republic, Latvia and Lithuania.

Sasha Tsenkova

Introduction

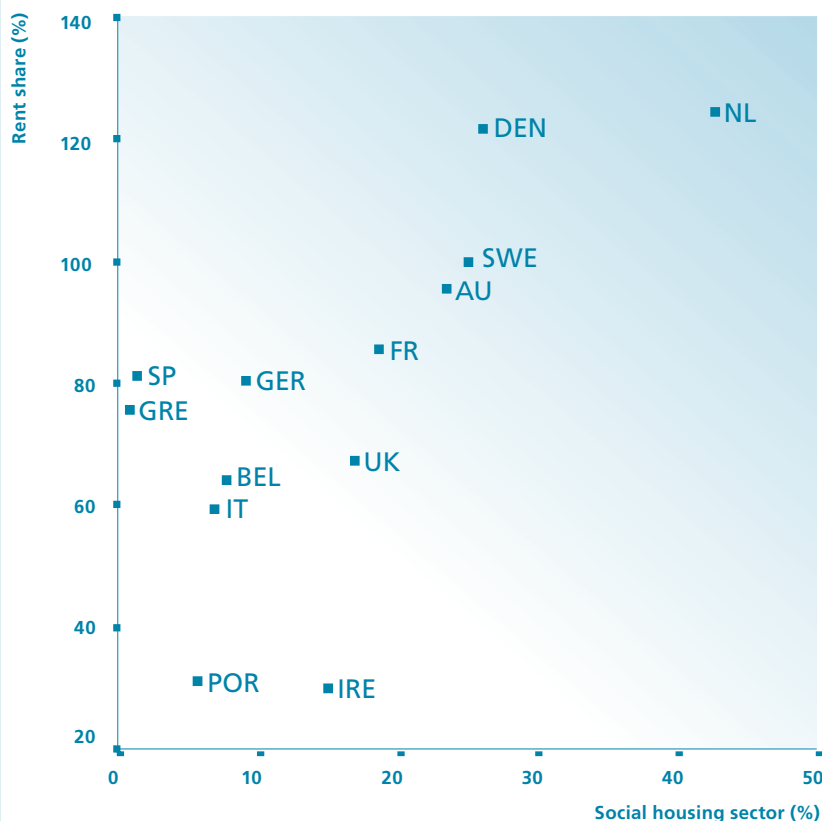
The transition from a command to a market-based housing sector in post-socialist Europe is closely connected with the rapid transformation of the welfare state. Across the region the sector has become the 'shock absorber', providing some stability and security within a framework of market-driven economic and social change (Struyk 1996). A decade after the initial reforms, housing markets have recovered, but housing production has remained historically low, the existing stock has deteriorated and homelessness has increased. On the fiscal side, most of the reform efforts so far have centred on the elimination of production and consumption subsidies for housing leading to major decline in public housing investment (Hegedus et al. 1996; Stephens 2002). On the financial side, policy reforms have supported the transition from a highly subsidized system of housing finance to a system driven by private initiative and real costs of housing services to consumers (Renaud 1996; Struyk 2000). Housing policies have been marked by emphasis on privatization of public housing and general deregulation of housing markets (Clapham et al. 1996; Marcuse 1996). As the flagship of housing reforms, privatization of public housing has fuelled the expansion of home ownership, creating 'nations of homeowners' with levels of home ownership higher than 80% (Tsenkova 2000).

While earlier comparative studies have focused on similarities in the reform process (Clapham et al. 1996), recent comparative research has emphasised the importance of path dependency (Pishler-Milanovitch 2001) and divergence depending on policy choices (Tsenkova 2003; Buckley and Tsenkova 2001). This paper supports the view that housing systems in the post-socialist members of the European Union (EU) will become more diverse in

the future and the diverging performance of their housing markets will increasingly depend on the success of policy reforms. In particular, the choices made with respect to the social housing sector will be critical in defining the type of housing system that is emerging and correspondingly the housing policy regime. In this context, it is important to ask what is the future of social housing in the new EU member states? How would the size of the sector, its institutional structure and ways of operation affect its character? How would differences between countries in the post-privatisation phase influence their housing reform path?

Chart 10

RENTS IN SOCIAL HOUSING AS A SHARE OF PRIVATE RENTS VS SHARE OF SOCIAL HOUSING IN EU COUNTRIES, 2000



Source: Adapted from Tsenkova and Turner, 2004



The paper treats these questions drawing on concepts and models developed by Kemeny in his analysis of social rented housing in Western Europe (Kemeny 1995). It has the following objectives:

- To identify challenges for social housing in the Czech Republic, Latvia and Lithuania with an emphasis on changes in ownership, rent, allocation policies and sources of financing;
- To provide recommendations on policy reforms in these countries that will improve asset management of the sector and enhance its sustainability.

The Czech Republic, Latvia and Lithuania were selected as conceptually appropriate case studies for several reasons. First, these countries had a significant share of public rental housing at the start of the transition but have chosen different strategies with respect to its management, thus defining two different types of housing policy regimes. Second, differences with respect to housing privatisation in these new EU member states provided an opportunity to contrast and compare reform challenges in two emerging models for future social housing provision—residual vs. more universal and inclusive one. Third, the availability of data to illustrate important trends and patterns of change pertinent to the research was a significant determinant in the selection process. Finally, the author's extensive research experience and involvement in the housing reform process in these countries as an advisor to central governments and/or international institutions added value to the research.

The paper is organised in three major parts. First, critical differences in the Western European models of social rented housing are illustrated using data on rent levels, share of households supported by housing allowances and sector size. Second, drawing on Kemeny's model, the analysis explores the impact of housing reforms on public housing with an emphasis on privatisation, rent and allocation policies. Third, the concluding comments highlight major challenges for the sector and explore alternative options for reform based on the Western European experience.

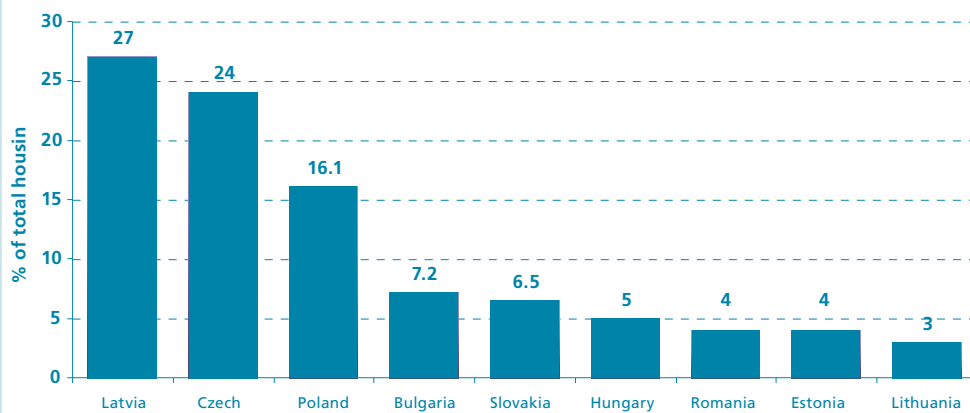
Models of social housing in the European Union

Despite general difficulties in defining social rented housing, Harloe (1995) has pointed out two essential characteristics: it is provided by landlords that are not profit-motivated and is administratively allocated according to 'need'. Several authors have analysed the development of the social rented sector in the old members of the EU pointing to a wide range of differences and similarities (Oxley and Smith 1996; Heijden 2001). Kemeny's (1995) influential comparative housing study distinguished between dual systems, based on direct competition between the social rental sector and other tenures, and unitary systems derived from a social market strategy. In a dual system the government uses the social rented sector as a safety net for low-income groups. It is characterised by several in-

stitutional arrangements – state ownership and management, rent setting policies insensitive to demand and allocation driven by bureaucratic procedures. Such a 'command' system of social rented housing usually operates when the sector is small and residualised. By contrast, in unitary systems the balance between tenures is determined by household demand and the social sector is not exclusively directed towards low-income households. Correspondingly, the institutional arrangements favour private non-profit landlords, rents are set below market level but tend to be sensitive to demand and allocation extends access to a more diverse income group.

Chart 11

Social Rented Sector in Post-Socialist Europe, 2001



Source: Author's estimates based on 2001 Census data



Although there is no homogeneous European form of provision of social rented housing, a group of countries have a larger share of the stock managed by a greater diversity of social landlords (see Tsenkova and Turner, 2004 for additional discussion on these issues). Distortions in pricing are less prevalent, since 'cost' rental systems not only ensure cost recovery for services, but allow rent setting to be adjusted to a range of property attributes (e.g. in The Netherlands, Sweden and Denmark). By contrast, another group of countries has a smaller social housing sector, managed by public landlords. The government shields the sector from competition and uses it as safety net. The figure below illustrates these relationships using data from the European Household Consumer Panel. Chart 10 presents two variables -- rents in the social rented sector and its share for different countries in the European Union in 2000, using private sector rents as a benchmark for competitiveness in rent setting policies.

The data demonstrates that in countries with a 'social market' model rents in the social rented sector are competing and/or exceed private sector rents (e.g. The Netherlands, Denmark, Swe-

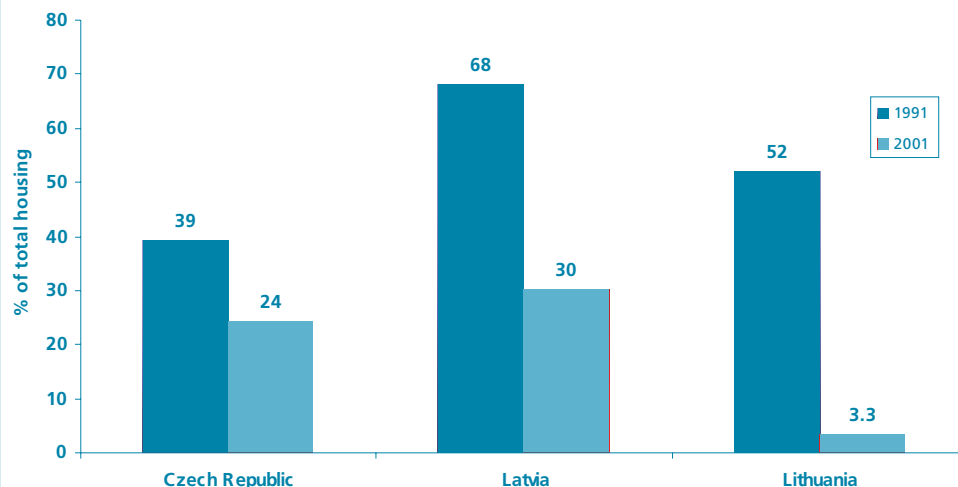
den and Austria). By contrast, in the 'command systems' with a small social rented sector (e.g. Italy, Portugal and Ireland), rents are almost half of private sector rents since it houses mostly low-income households. Despite the idiosyncrasies of a given tenure in each country, the relative size of the social rented sector affects its character. Allocation policies determine the socio-economic profile of tenants, and the share of low income households. Countries with a smaller social rented sector targeting vulnerable households provide 'in kind' rather than 'in cash' subsidies (e.g. Portugal, Italy, Spain). On the other hand, countries, which have a large social sector, manage it in a more competitive way with rents based on cost recovery, combined with housing allowances or other direct household subsidies. The analysis of the models of social rented housing in Western Europe informs the discussion on policy reforms affecting the sector in the post-socialist EU member states.

Challenges for social housing in post-socialist Europe

The post-socialist EU member states, particularly the ones from the former Soviet Block, have the legacy of an excessively con-

trolled 'command' housing system. The 1990s have marked a departure from the 'command system' with deregulation of housing markets and privatisation of public housing being the flagship of the reform process. In the context of this shift away from direct state intervention to market-based provision of housing services, municipalities have emerged as the new social landlords with major responsibilities for housing the poor and disadvantaged. These trends are somewhat similar across post socialist Europe (Lux 2003, UNECE 2003). Mass privatisation reduced the size of the social rented sector mostly through transfer to sitting tenants (free of charge, through vouchers or nominal fee) (Clapham et al. 1996). While these populist policies have been equally attractive across the re-

Chart 12
PUBLIC RENTAL HOUSING IN THE CZECH REPUBLIC, LATVIA AND LITHUANIA, 1992-2001



Source: Author's estimates based on census data

Notes: The Czech Republic: the category 'public' for 1991 includes housing owned by state institutions subsequently transferred to municipalities at the start of the reform.
Latvia: the category 'public' for 1991 includes housing owned by state institutions, enterprises and municipalities.



gion, governments have been reluctant to introduce less popular measures such as cost recovery of rents or deregulation of maintenance and management (Lux 2003; Tsenkova 2002). Despite these similar policies, the size of the sector across the region is quite different as presented in chart 11.

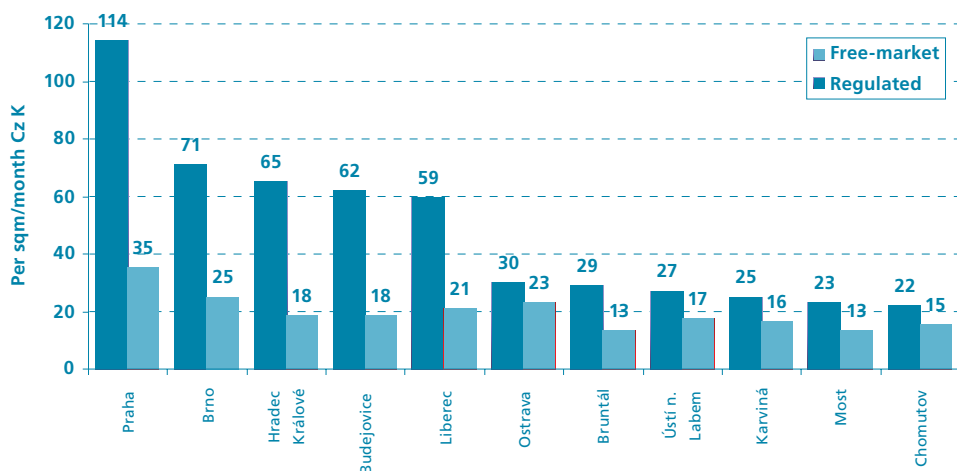
There are also important differences in rent control systems: while, for example, Slovakia and Estonia abolished the central (state) rent control regimes, in Poland and the Czech Republic the state retains strong tenant protection and rent control for all pre-transition tenant contracts. If we look more closely at housing subsidies, the differences between new EU member states are again much more obvious than the similarities (Donner 2006; Lowe, Tsenkova 2003; Dübel 2004). While some countries (e.g. Estonia and Bulgaria) did not introduce any supply-side subsidies, others initiated new housing programs with various degrees of targeting. For example, Hungary and Slovakia concentrated mainly on subsidies for acquisition of owner-occupied housing. Poland, the Czech Republic and Slovenia directed some subsidies towards the construction of rental housing (Lux 2003; Tosic and Hegedus 1998). New not-for-profit housing associations emerged as the providers of new social rental housing in Poland and Slovenia. By contrast, Latvia and Lithuania offloaded significant responsibilities for social housing assistance to municipalities.

Despite these differences with respect to supply- and demand-side support, countries in the region are faced with a similar challenge: less social housing to accommodate a growing number of poor and socially disadvantaged households. The pressures for more affordable social rented housing are increasingly driven by the rapid growth in poverty and patterns of social exclusion, particularly for ethnic minorities. Poverty was non-existent under state socialism; however, poverty rates at the end of the 1990s were as high as 20% in Bulgaria and Romania and 7-8% in Hungary and the Baltic States (see Tsenkova 2006 for a review of the literature on these issues). These social 'shocks' have a much more profound influence on demand than the traditional demographic factors. In fact, the available data on demographic trends in the new EU member states show declining population growth, lower rates of household formation and significant negative growth, even in the capital cities and large urban centres. The forces at work behind the demand for social housing are indeed complex and deeply embedded in the overall economic, political and social change in the last fifteen years.

Developments in the social rented sector of old EU member states might prompt two diverging scenarios for the future of social housing in post-socialist Europe. In countries where the sector is small (e.g. Estonia, Lithuania, Romania and Hungary), it might be moving

towards a residual model, operating as a 'command system' which targets low income households. In countries where the sector is of considerable size (e.g. The Czech Republic, Poland, Latvia), it might be expected to evolve as a 'social market', being the home of a mix of income groups. These issues are explored in the next sections with an emphasis on three critical elements characterising social housing—ownership, rent and allocation policies. Kemeny's framework is applied to review the extent to which the sector has moved away from a 'command' to a more market sensitive model in the three countries under review.

Chart 13
REGULATED VS. MARKET RENTS IN CZECH CITIES, 2001



Source: Ministry of Environmental Protection and Regional Development, Prague, September 2002.



Changes in the management of social housing in the Czech Republic, Latvia and Lithuania

Ownership

Historically state institutions and municipalities have provided public housing in the three countries. It is important to note that social housing is not explicitly defined in the legal framework; rather the term 'public rental housing' is being used. At the start of the reform process in the Czech Republic, state housing was transferred into municipal ownership, while in Latvia and Lithuania it was sold to tenants using privatisation certificates (Sykora 2003, Tsenkova, 2005). While in the Czech Republic privatisation was left at the discretion of municipalities leading to a diversity of strategies, Lithuania privatised most of state owned housing in the early 1990s, while in Latvia the 'right to buy', particularly in municipal housing, was exercised much later. Regardless of the pace of privatisation in both countries today, privatised housing is typically found in publicly owned multi-family buildings. The transfer of property rights related to common areas and land in multi-family buildings has not been an explicit emphasis of the privatisation, thus expanding significantly the mandate of social housing landlords (Tsenkova 2002; 2004).

Despite its 'late start', privatisation of public housing in Latvia has decreased the share of public housing by 38%. In the Czech Republic the decline was close to 15%, while in Lithuania the scale of transformation was far more dramatic, resulting in a reduction of 48% (Chart 12). In all three countries, public rental housing was subject to restitution with reportedly significant impact in the historic districts of the capital cities (Tsenkova 2003). Privatization through vouchers or cash sales to tenants has been motivated by political considerations and economic efforts to restructure the housing sector on market principles (Kursis, 1999; Lux 2003). There has been little, if any, systematic evaluation on the impact of these policy measures on the housing market. In all three countries a moratorium on housing privatisation is considered politically unpopular, although in Lithuania opportunities for privatisation are indeed limited.

At present, municipalities own and manage the public rental stock in the three countries, with about a quarter of Czech municipalities experimenting with private management (Sykora, 2003).

Rent Setting

Previously highly dependent on central government control, municipalities have become the new social landlords. The devolution of housing responsibilities to local governments, and the new financial regime for operation, allow more autonomy in decision-making but also imply a growing social responsibility to deal with poverty and social stress. Reforms in the legal framework provide the opportunity to set rents at the municipal level in Latvia, where it is also possible to differentiate rents according to quality and location of housing. In Lithuania and the Czech Republic rent control is exercised at the state level with the option to use adjusted rents (up to three times the basic rent) in new or reconstructed municipal housing.

Despite differentiation among cities in Latvia (up to 50% of basic rent), rents in the three countries are set below market levels, with 'flat' rent structures not reflecting the value or the location of the property, which is characteristic of a 'command' system. In practice, municipalities are pooling costs across the stock. Housing managers state that rents barely cover operation costs, but introducing cost recovery for housing services tends to be politically unpopular (COWI 2002, Sykora 2003, Tsenkova 2004). Although rents tend to be affordable, reinforcing the social character of the sector, social landlords face a significant problem with rent arrears (in up to 25% of Czech and Latvian municipalities). In terms of competitiveness, studies suggest that in Latvia rents in public housing are 4-5 times lower than private sector rents, while in the Czech Republic, regulated rents are 2-3 times lower. These differences are presented in chart 13 for the Czech case.

In addition, in Latvia and Lithuania, tenants and owners in multi-family housing pay an equal amount for the maintenance of the building. In the Czech Republic the rent control and excessive tenant protection has led to a 'black market' in public rental housing with illegal sublets and trading of tenant leases through real estate agencies to capitalise on the locational and/or quality advantages of housing (see Sykora, 2003). Overall, in the three countries rent structures are not sensitive to demand and there is no mechanism for exit from the sector when the household's income increases above a certain threshold. This policy of uniform rents is a form of universal subsidy, which essentially continues to be in force fifteen years after the market-based housing system has been introduced.



What is more important is that because of its poor targeting, particularly in Latvia and the Czech Republic where the sector is large, it fails to raise much-needed revenue for the investment in multi-family housing, thus accelerating deterioration.

Allocation

Rent controls and rationing systems through waiting lists continues to be the cornerstone of municipal housing policies. Although in the Czech Republic there has been limited experimentation with allocation of newly built municipal housing to the highest bidder, in the three countries the need for affordable public rental housing remains high, as evidenced by the municipal waiting lists. Due to declining construction of public housing and low turnover, most of the households receiving a dwelling through the allocation system are selected on a needs basis: handicapped, socially vulnerable, the elderly, single parents, households living in unacceptable housing conditions, etc. Oddly enough, low income is not a factor for receiving a dwelling through the allocation system; perhaps a reflection of the communist legacy where access to subsidised housing was seen as a social right. The new allocation rules might lead to a gradual residualisation of public rental housing in the Czech Republic and Latvia, however, the annual turnover is less than 1.5%. Since tenant protection is still considered to be strong, the vacancy rate in urban areas is almost non-existent. In addition to life-long guarantee of tenant rights and provisions for inheritance of rental housing, tenant eviction for non-payment is costly for the social landlord, takes at least two years to be enforced, and certainly appears to be politically unpopular.

Changes in financial support for social housing in the Czech Republic, Latvia and Lithuania

While it is beyond the scope of this paper to provide a detailed account of changes in the financial support for social housing, several important trends need to be taken into account. In the Czech Republic, social support for housing is offered through a small production oriented program to upgrade panel housing and through the universal system of rent control (see Figure 1). Both have large implicit subsidies and a low degree of targeting. A centrally managed, state funded housing allowance system supplements the low rent policy on the demand side. Lux (2003) states that the income support provided through the housing allowances is limited

(tied to subsistence minimum), mostly used to alleviate hardship in the public rental sector. By contrast, Latvia and Lithuania have eliminated supply subsidies for social housing and moved towards demand-based assistance. In Latvia, municipalities determine lo-

Figure 1
REFURBISHED PANEL HOUSING IN MUNICIPAL OWNERSHIP: PRAGUE





cally the income level for housing benefits, while in Lithuania housing allowances are centrally determined, funded and administered (Lithuanian Free Market Institute, 2002). In both countries the support is available to low income households regardless of their tenure status.

Figure 2
ARRESTING THE DECLINE IN HOUSING ESTATES
THROUGH BETTER ASSET MANAGEMENT.



Under the present regime of fiscal austerity with a less generous welfare state, the practical implementation of demand-based housing assistance in Latvia is essentially driven by what municipalities can afford, as opposed to rational responses to housing need. In the other two countries research indicates that housing assistance is grossly inadequate compared to need and that criteria for low income cut-off are set at a very low level so that only the poorest of the poor can qualify (Lux 2003, Tsenkova, 2004). What is more important, housing allowances are often used to cover utility costs (e.g. district heating), which without the extensive state support utility costs have become a major problem for owners and renters alike (UNECE 2003). In Latvia for example, close to 20% of the households have previous debt with respect to rent/maintenance payments.

Conclusion

The analysis highlighted that institutional reforms related to rent, allocation and privatization of public housing in the Czech Republic, Latvia and Lithuania have proceeded through trial and error. In practice, the sector still operates like a 'command' system where ownership and management is vested with the municipalities and pricing policies are not sensitive to demand or quality of housing services. Allocation decisions in the shrinking portfolio continue to rely on bureaucratic processes, although preference is given to socially disadvantaged households. Maintenance and management is still a municipal monopoly and public landlords manage most of the privatised housing. Although supply-based subsidies have been eliminated, with the exception of renovation programs in the Czech Republic, uniform rent structures continue to provide poorly targeted implicit subsidies to tenants.

In the case of the Czech Republic and Latvia both central and local governments need to make some policy choices with respect to the character of their social housing. It is fiscally and socially unsustainable to keep a large social rental sector and operate it as a 'command system' that fails to integrate market signals. The experience of the old EU member states demonstrates that there are two principal options for rent setting within the social housing sector. The choice depends on its size and composition of tenants. If the sector is small (e.g. in Lithuania), it will be a truly social sector, where households are thoroughly selected (closed entry) and with



a mechanism for leaving the sector when the household is no longer eligible. In this case, rents may be set as a share of income with the sector functioning more like a safety net. If the social housing sector is larger, rents should be set on a cost-recovery basis with housing allowances available to low income households. Latvia has moved in that direction, but without the necessary consistency and coherence in its approach. The important issue is that a cost recovery rent makes it possible to simulate market rents and thus have a higher rent in attractive locations. In the Czech Republic the strong central government involvement—through tenant protection, rent control, centrally determined housing allowances—creates significant challenges for the social rented sector, particularly for its asset management policies. Ensuring the sustainability of the sector implies moving away from a ‘command’ system through differentiation of rents, competition in the maintenance and management of housing, the development of a more efficient and transparent housing subsidy system that targets the needy and abolishes general subsidies.

In summary, addressing the social housing challenges requires a cluster of policy measures that enable more effective management and certainly arrest the emerging cycle of decline in the existing, mostly multi-apartment housing in municipal ownership. Figure 2 stylistically represents the different stages in the cycle – poor technical conditions, social and economic difficulties of residents, overcrowding, poverty and deteriorating housing quality. All these phenomena feed into the next stages where poverty and deprivation become an attribute of particular neighbourhoods. There are signs that some of the housing estates in post-socialist Europe manifest some of these features. Municipal or state owned rental housing, while mixed with privatised apartments, increasingly is becoming the home of lower income and disadvantaged households. Prices of privatised apartments have not experienced the growth observed in more attractive inner city neighbourhoods. Due to growing problems with the maintenance and management of multifamily housing, more affluent owners fearful of theft and vandalism are moving away. This new phenomenon is associated with increasing segregation of marginalized people on housing estates in a number of post-socialist European cities. These manifestations of social exclusion are related to the creation of ‘social ghettos’, and correspondingly, the isolation of marginal communities in substandard housing.



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PRACTITIONERS' VIEWS





Welfare transformation, demographic change and social housing and in Italy: A practitioner's point of view

Livio Pilot

In this paper I would like to give a synthesis of the main developments in housing markets and policies in Italy, and refer as well to the social and demographic trends affecting demand for and supply of social housing in Italy.

The main features Italian housing markets and policies in relation to other EU countries are:

Rental housing still represents a marginal share of the housing market in Italy, where home ownership is by far the main type of tenure. In 2001 rental housing accounted for only 20% of total households, a very low percentage making the rental sector in Italy the smallest in Europe, after Spain and Ireland. The size of the rental sector in Greece and Portugal is similar to that of Italy.

High share of home ownership leads to economic immobility: The high number of owner occupied dwellings in Italy does not coincide with high income levels. Italy has one of the lowest GDP rates in Europe, followed only by Spain, Greece and Portugal.

Housing as a marginal element within public policies: Public policies in Italy do not adequately respond to the housing crisis the country is currently facing. Only 0.1% of the total public social expenditure in Italy is destined to housing policies, one of the lowest percentages in Europe. The UK share of public expenditure on housing is the highest in Europe (5.6%), followed by Ireland (3.2) and France (2.9). In 2003, public expenditure on housing in Italy amounted to only 5 euros per capita, as opposed to the UK where it amounted to 369 euros.

Insufficient housing choice: Little public investment in Italy corresponds to a very limited housing choice. Today about 1.3 million households live in social rented dwellings, a small number compared to other European countries with similar population levels.

The country with the largest number of tenants in social housing is the UK (5.2 million households), followed by France (3.8 million), Germany (3.1 million) and The Netherlands (2.3 million).

Social rental housing targeting the most vulnerable: Social rental housing in Italy amounts to only 6% of the total housing stock. Therefore it represents a marginal component of the housing market, targeting only very low income households. On the contrary, in The Netherlands and in other European countries social housing is directed to a much wider section of the population, allowing housing associations to guarantee the right to housing on the one hand and to maintain financial sustainability on the other. In 1984, 34,000 social dwellings were built with public subsidy. In 2004 the number of subsidised dwellings has shrunk to only 1,900.

If we take the case of the co-operative housing movement in Italy, altogether it has built to date over one million dwellings. Currently the co-operative sector provides about 20,000 dwellings each year. Out of these dwellings, only 2,500 units are built for the rental market, due to the lack of public investment in the sector and the absence of specific housing policies.

As a result, when considering housing conditions together with social housing policies in Italy, one reaches the following conclusions:

- The high inflation rate which historically characterises the Mediterranean countries has contributed to the strengthening of owner occupation as the main type of tenure, as well as to the marginalisation of the rental market
- The race for home-ownership has tied up financial resources diverting investment away from production and stopping economic growth.
- High rates of home ownership hinder population mobility and rational use of housing stock.
- Lack of public investment makes housing a widespread but individual problem, limiting the possibility of intervening to limit speculation.
- The high level of home ownership goes together with high financial burden for households.
- The fact that housing policies focus strictly on housing assistance prevents the service from reaching economic equilibrium/sustainability.



Social and demographic changes: Uncertainty and possible scenarios

First of all, the dynamic of future migration flows represents the main factor of uncertainty as well as a key variable in the demographic situation in Italy in the coming years. The number of immigrants in Italy is growing dramatically. It is estimated that in 2005 over 3 million immigrants were living in Italy on regular basis. The migrant population, due to the fact that it is mainly constituted by people in working/reproductive age will contribute significantly to the increase in the number of households in the future.

Furthermore, due to the evolution in the age structure of the population, public policies in the future will have to focus increasingly on elderly people living alone. The phenomenon of a greying population will increase dramatically and have significant impact both on social and health policies and on the housing market. Between 2006 and 2016 the number of households with the head of household aged over 64 years old will increase from the current 8 million to over 9 million, and the same indicator for those over 84 will increase from 900 000 to over 1.5 million. The most vulnerable group, which consists of elderly people living alone, is estimated to increase by 18% between 2006 and 2016 (560,000 people out of whom 330,000 over 84). This process will increase housing demand from a new segment, characterised by specific needs (in terms of accessibility, design, technologies, etc.) but also by a great variety of specific needs with regard to health conditions, cultural needs and income level. Therefore widening the range of dwellings specifically designed to suit their needs will become increasingly important.

Another important group in Italy with regards to housing needs are students and temporary residents. In 2005, the number of registered university students in Italy was 1,820,221, and this figure has increased significantly in recent years. This phenomenon has a significant impact on the housing market: 45% of registered students originally come from a different province from the one where the university is located, with a further 2% coming from other countries. This amounts to over 700,000 young people living in about 230,000 dwellings on a temporary basis.

Furthermore, the 2001 census showed that over one million people in Italy can be defined as temporary resident. It is estimated that demand coming from these population groups will increase significantly, and about 200 dwellings will be needed over the period 2006-2016 (i.e. about 20 000 dwellings per year).

In short, housing demand increasingly comes from a combination of different population groups whose demands can be addressed only through specific "category management" policies. In the coming years it is expected that housing demand from the native population will decrease and the relative weight of demand from immigrants will increase. The slowdown in overall primary demand will determine a re-balance of the housing market, but the current situation of the labour market will increase difficulties faced by middle and low-income young couples with children wanting to access housing.

Conclusion

Considering all the elements mentioned above, a new social housing policy has become a necessity. In my view, it should focus on three factors: resources, fiscal incentives, and urban planning. With regard to the first factor, more resources need to be made available for housing policies. The State should use public funds to enter into public-private co-financing of regional programmes and for the implementation of specific emergency measures.

At the same time, the fiscal system should encourage the provision of dwellings for rent, through lower tax rates in the case of dwellings let at controlled rent.

Finally, regional legislation should define social housing as a service of general interest (as is happening in other countries in Europe), and municipalities should provide land and building permissions for free for social housing construction



Welfare transformation, demographic change and social housing: The perspective of a Spanish housing practitioner

Pablo Aretxabala Pellón

I would like to start my presentation by referring to the ‘peculiarities’ of Spain in relation to the rest of Europe. The Spanish welfare state has not developed at the same level as the rest of Europe, and the family continues to be the sphere where most social services are provided. This situation leads to very different lifestyles in relation to other European countries. For example, the age of emancipation of young people in Spain is delayed five to six years compared to the European average, and when they do so, it is usually as a couple. On the other hand, over the last decades, public housing in Spain has been understood mainly as housing for ownership, as opposed to rent. Policies to facilitate general access to housing have come hand in hand with subsidies and fiscal reductions, more than on policies of direct intervention.

Within this framework, the ‘problem’ of housing needs to be placed within the current context: this year in Spain, housing featured as the second most important problem in an annual public perception survey – after terrorism. Although there is widespread recognition of the increasing difficulties in accessing housing (irrespective of tenure) in Spain, particularly for young people, the effects of this situation have not yet been fully manifested. Amongst these, I would like to mention: frustrated life projects, low birth rates, loss of social and economic contribution of these households, social fracture, and a high level of citizens’ disenfranchisement and apathy.

What are the causes? First of all, as Professor Leal has explained, there is a peak of population at the age of emancipation in Spain. In addition, there has been a sustained increase in immigration over the last years, and the trend is for it to continue. Another feature of the current Spanish housing market is the large ‘second homes’ market linked to the tourist industry. On the other hand, Spanish households see home-ownership as a way of saving and as a family safety net. Housing represents a valuable asset, particularly in times of economic downturn. However, we see that a consequence of the deregulation of the real estate market is speculation with

housing needs (which is a basic need) in order to maximize profit. The lack of robust and efficient instruments for the public administrations to face up to this situation (and at times also, the lack of political will) constitute one of the major causes of the problems of the current housing situation in Spain.

The type of public policy responses that have been put in place recently in Spain include a variety of transfers to households, such as: fiscal deductions for homebuyers; lengthening of mortgage repayment periods and reduction of requirements and guarantees; increase of subsidies; and lower interest rates. On the other hand, we see a rather reluctant governmental impulse to the increase of public housing stock, focused mainly on the home-ownership tenure.

Within this context, I believe that the debates that will mark future developments are: the recognition of housing as one of the pillars of our welfare state; the reorientation of fiscal spending -produced by tax deductions to home-ownership- towards direct intervention policies; the implementation of measures encouraging renting and penalizing long-term empty dwellings, which is strongly hindering availability of housing; and last but not least, the reorientation of the promotion of public rental housing as opposed to home-ownership, which will require a significant increase in public expenditure.

CONCLUSION







CONCLUSION

Darinka Czischke

In this second colloquium of the series, we have addressed the role of social housing as part of welfare systems across Europe in the context of the profound social and demographic transformations currently taking place. Welfare and social protection systems are being redefined across the continent. Despite the different welfare traditions across Europe, there are some important trends of convergence, stemming both from globalisation and from the impacts of EU regulations on national systems. As Roma explains in his contribution, social protection in Europe is becoming a factor in producing growth, and welfare is changing into workfare. In this context, new concepts such as 'flexicurity' or 'active social policies' (Vielle 2007; Giddens 2006; van Berkel et al 2002) have emerged in order to better respond to economic and social challenges arising from the global competition. A new policy framework is emerging, which seeks to combine greater labour flexibility, increased geographical and employment mobility, and social protection (European Commission 2007). However, much has been debated about the lack of a robust social dimension of the EU policies, specifically the Lisbon agenda after its revised focus on 'growth and jobs'.¹⁵ Indeed, the ability of people to be more flexible and more mobile greatly depends on the availability of affordable and good quality housing.

These developments bring about a reflection on the place of housing in the restructuring of welfare and social protection systems, given the pivotal role that housing plays in an individual's life chances, living conditions and social integration. Furthermore, as Roma points out, the new social reality calls for thinking of housing provision as part of a wider policy framework. In his view, this implies a role for the EU institutions in urban and housing policies, despite their lack of official competence in either of these fields. Indeed, as he stresses, the real dimension of cohesion policies is expressed at local level, and it is at that scale – particularly the neighbourhood- where people interact on a daily basis and where social inclusion takes place. Furthermore, it is at that scale that social housing and a range of related services are delivered.

Amongst the main current trends in housing policies –as seen also in our first colloquium- speakers have highlighted an increase in homeownership, often lead by policies encouraging this type of tenure (see, for example, Doling 2007); the concomitant decrease in the proportion of rental housing; and the sale of social housing. Interestingly, as Roma points out, figures on the percentage of public expenditure in housing as a function of welfare expenditure across the EU are strikingly low, the EU average being 2%; the lowest amongst all single categories (see table 3). Indeed, since the 1980s there has been a significant reduction in direct public intervention for building low-rent housing.

While these general trends hold true for most of Europe, in this colloquium we have focused on certain countries, which represent a variety of welfare traditions. These countries have in common very high home-ownership rates, all above 60% of the total housing stock in their respective countries, and consequently a small rental sector. In our first colloquium, we addressed these trends from a market and regulatory perspective; in this colloquium we have focused on the social implications of these developments. The contributions presented in this colloquium have covered the following countries: Southern European Member States (specifically, Italy and Spain), of particular interest given the specific social and demographic characteristics these countries share, notably very low fertility rates and high immigration levels. In addition, we looked at Eastern European Member States, where mass privatisation of formerly public housing has turned many of them into countries of 'poor home-owners', giving rise to a variety of related social problems. Last but not least, we looked at Great Britain, where a process of privatisation of social housing started in the 1980s and where home-ownership is increasingly encouraged as the aspirational tenure by both the media and the government – a process which is not devoid of controversy, as Malpass explains in his paper.

Overall, the discussion in this colloquium showed, on the one hand, a number of common issues affecting the majority of countries under review, and on the other, some specific issues. In this concluding chapter, we have aimed at summarising these common issues and specificities.

¹⁵ See for example: www.socialplatform.org



Common themes

Some common themes that stand out are:

1. A new social reality calling for new housing answers

It seems clear from the main social and demographic trends across Europe –notably, higher life expectancy and changing lifestyles) that the housing cycle has become longer and subject to greater variability than before. Hence, housing needs are expected to change to a greater extent at different stages of the cycle. Consequently, adequate housing policies should foster diverse products for a wider range of household types and needs.

The trend towards an increasingly smaller average household size across Europe is likely to continue. As Leal points out, throughout Europe occupation levels are set to fall, except for some groups such as young people and immigrants with higher difficulties to access the housing market. On the other hand, it is worth noting that there is a demand for more housing space per person as people today spend more time at home than before.

Despite the different cultural and demographic realities in Southern Europe vis-à-vis Northern Europe, Leal stresses that the trend is for socio-demographics in the former countries to converge with EU averages, which implies that European society at large will be facing similar issues in the future.

As a consequence of these changes, new social and population trends are shaping a new demand for housing in general, and for social housing in particular. The ageing of the population was highlighted as the major demographic trend that most EU member states increasingly have to face. In this regard, it is worth noting the increase in single-person households among older people as an important factor behind the overall increase in the number of households. In fact, most single households are those of elderly people. Translated into housing needs, there are a number of aspects to consider: firstly, a steep increase in the dependency rate, particularly from the so-called 'frail elderly' (above 80 years of age – see chart 1). This group represents a highly vulnerable type of households, which require new and adjusted housing solutions for their specific needs.

On the other hand, however, we have seen that there is also a trend towards greater residential independence amongst the elderly, par-

ticularly for those between 65 and 80 years of age. In countries where the tradition was for elderly people to go back to live with their children (e.g. Southern Europe), this is now less and less the case; due to longer life expectancy and better health conditions, elderly people prefer to live on their own until a much later stage. Moreover, as explained by Leal, this situation poses a number of challenges for housing provision at large; on the one hand, this means that fewer dwellings become free to the market, thereby reducing the offer. On the other hand, there is the need to rethink the conditions of neighbourhoods where elderly people live isolated from their relatives. There is an increase in 'urban' behaviour patterns, as elderly people who live on their own tend to stay in these areas where services, transport links and facilities are more available.

However, at the other end of the demographic spectrum, there is another increasingly vulnerable group: the young. Traditionally, in Southern Europe young people tended to leave home at a later age as compared to their North-Western European counterparts. Today, the so-called 'emancipation' age of the young has been delayed even further, particularly in the face of economic constraints (i.e. difficulties in finding the first job and in accessing the first home). As we have seen in Leal's presentation, the custom is for Southern European young people to go straight into home-ownership when leaving their parents' home; today, due to worsening affordability, emancipation is being considerably delayed. This brings about a number of social and demographic consequences, such as even lower fertility rates due to later marriages. In fact, this discussion leads us to our next point: the balance between housing tenures.

2. The social implications of tenure

Overall, a theme that cut across the discussion at this colloquium was the balance (or lack thereof) between housing tenures. Indeed, a higher proportion of rental housing was stressed both by speakers and members of the public as a necessity for a number of reasons, including: allowing greater mobility, independence of young people/households, changes in life cycle (i.e. diverse needs), etc. Furthermore, there seemed to be general consensus at the colloquium on that it is necessary to maintain a significant proportion of social rental housing for a variety of income groups.

Pilot explained that in Italy high inflation, which historically charac-



terises the Mediterranean countries, has contributed to strengthen owner-occupation as the main type of tenure, as well as the marginalisation of the rental market. In his view, one of the main negative consequences of this 'race' for home-ownership has been to tie up financial resources, thereby diverting investment away from production and stopping economic growth. Indeed, he argued, high rates of home ownership are hindering population mobility and the rational use of the housing stock. Both Pilot and Roma argued that too much home-ownership 'locks' society. Indeed, residential mobility is sometimes suggested as one possible solution in order to better match needs and changes in household cycles and labour markets, thus making more efficient use of the stock. However, as pointed out at the colloquium, residential mobility is hindered by the generalised aspiration to home-ownership.

Another perspective on the social effects of different tenure structures was presented by Malpass and his analysis of the British experience. Malpass discussed the implications of both the residualisation of social housing and the idea of a housing based welfare state. Although it presents the British experience, he attempts to "help the reflection on the potentialities within housing systems with high levels of home-ownership." As he explains, while the trend to sell of public housing in order to boost owner-occupation might have been led by Britain, evidence shows that other countries have "begun to display similar tendencies, and residualisation is a more or less established trend across the EU".

In Malpass view, the current high levels of home ownership allow governments to press ahead with public service reform. This argument is based on the so-called strategy of 'responsibilisation', whereby governments try to do less for people and leaves them to do more for themselves. In this approach, there is a new emphasis on personal provision through saving and asset accumulation. The idea of asset based welfare is that the acquisition and accumulation of assets of various sorts provides people with a route out of poverty. Malpass posits that the link between asset based welfare and home ownership is fairly obvious, as for most people their house is their most valuable asset. In Britain, he explains, home-owners are increasingly encouraged to see their properties as assets as well as places to live.

However, Malpass warns against a number of limits to the idea of

a housing based welfare state. Firstly, evidence shows that home-ownership in Britain might have reached a plateau. Hence, a home owner's welfare state may permanently exclude around 30% of the population (in the case of the UK). Furthermore, he stresses that housing wealth is very unevenly distributed; its distribution is not well correlated with need, and it may not be easily accessible when needed. Moreover, there is uncertainty about housing markets in the future.

It is worth noting that there are connections between these developments and other countries' housing markets, since evidence shows that housing wealth from the UK is increasingly spent on second homes abroad. This situation can often result in speculation and shortage of affordable housing for local residents in these countries (e.g. Spain, Eastern Europe, etc.).

In addition, the links between too much ownership and worsening affordability were highlighted as particularly affecting young people in accessing housing. Interestingly, Southern and Eastern Europe have in common the difficulties for young people to emancipate and for young families to access their first home, both because of the unaffordable private home ownership and the shortage of housing for rent (both social and private). Indeed, as explained above, one of the key features of the housing problem in Spain currently is a peak of population at the age of emancipation of young people (i.e. leaving the parental home) and the delayed age at which emancipation happens. However, as seen above, a peculiarity of Spanish young people is that when they emancipate, they usually do it as a couple and they tend to go straight into home-ownership. Compared to young people in other European countries (e.g. France), they 'skip' the rental phase. However, due to the very high house price inflation in Spain, the lack of availability of rental housing was stressed not just by the speakers, but by members of the public as one of the main constraints in this regard. Amongst the negative effects of this situation, Aretxabala highlighted frustrated life projects, low birth rates, loss of social and economic contribution of these households, social fracture, and a high level of citizens' disenfranchisement and apathy.

It is worth noting that the situation in Spain is replicated in the main European cities (e.g. London, Paris, Madrid, etc.), where there is a peak of young people at the age of emancipation demanding



housing (chart 5). But it is precisely in these big capitals where supply does not meet this type of demand (i.e. too few dwellings are being built for these groups).

Lastly, in terms of policy responses, the situation in Spain presents many interesting features; it seems to be 'swimming against the (European) tide' by introducing measures such as fostering the rental sector in general and the social rental sector in particular. As Aretxabala highlights, this goes against the historical trend of public housing in Spain, which has tended to focus on ownership in detriment of social rental housing. In addition, Spanish households view home-ownership as a safety net for the family, an asset to draw upon when necessary (e.g. in times of economic downturn). However, it is interesting to note that, according to Leal, there is no sociological argument to state that Spain is a country of home-owners as there is not a lack of demand for rental, but rather a shortage supply of rental. This point was indeed debated at the colloquium. All in all, in order to increase supply of rental, commentators argued that public intervention is needed; the market alone will not provide enough. And this leads us to our next point.

3. Need for more investment in social housing and the role of public intervention.

Overall, a recurrent theme throughout the colloquium was the need for more investment in the social housing sector, both for new built and for maintenance and improvement of the existing stock.

The problem of general underinvestment in new housing, in Eastern Europe was highlighted. There is a mismatch in many countries between demand and supply, as private developers see no incentive in building housing for lower income groups and prefer to invest in the more profitable upper-end single family homes market. Hence, many Eastern European governments are devising programmes that are to give incentives to a variety of actors (including not-for-profit organisations) to deliver this type of housing (Czischke et al 2007).

Furthermore, Tsenkova pointed out that in Eastern Europe, the lack of investment in maintenance and management of large multi-family housing is pushing more affluent owners away from these areas, leaving the less well-off population marginalised and isolated, thereby fostering segregation. Moreover, Malpass highlighted

that one of the consequences of the increase in home-ownership in the UK is the consequent lack of investment in social housing, thereby leaving social housing as a tenure for the very poor. Last but not least, both in the case of Spain and Italy, speakers and commentators called for greater levels of public investment to expand the rental sector – a task which, in their view, market actors will be unlikely to take on. In addition, amongst the criticism to current policies in Spain was the lack of robust instruments to tackle speculation in the real estate sector and the weak support to more public spending and direct intervention measures to increase the public housing stock (not just for ownership, but also for rental).

In the case of Italy, Pilot pointed out that housing is a marginal element within public policies, which, in his view, are not responding adequately to the housing crisis the country is facing at the moment. As an example –and in line with Roma's data on public expenditure in housing in European countries-, Pilot highlights that in Italy only 0.1% of the total public social expenditure is on housing - one of the lowest percentages in Europe. In addition, he criticises the lack of choice linked to the little public investment in housing in Italy. Furthermore, he argues that the fact that housing policies focus strongly on housing assistance prevents the service from reaching economic equilibrium and sustainability. Overall, he believes that a new social housing policy is needed. In his view, more resources should be made available for social housing, e.g. by using public funds to enter into public-private co-financing; encouraging the provision of more rental dwellings (like in Spain), and making land available for free for the building of social housing.

Specific issues

We would like to briefly refer to two of the main issues which stood out as affecting specific countries discussed in the colloquium, namely: the immigration trends and housing in Southern Europe, and the shaping of a new institutional framework for social housing provision in Eastern Europe.

1. Southern Europe: immigration trends and housing

Immigration featured as one of the main issues increasingly impacting housing provision in both Spain and Italy. More broadly, as Leal points out, Southern European countries alone account for two thirds of total immigration flows into European countries as



a whole in the period between the last years of the 20th century and the first years of the current decade. In Italy, the immigrant population (mostly in working and reproductive age) is likely to contribute significantly to the increase in the number of households in the future, given the dramatic current and estimated growth in immigration flows.

Speakers highlighted a variety of impacts of this situation. Firstly, there is the resulting overall population growth, which is already increasing the demand for housing. In addition, it is worth noting that immigrant households tend to be larger than native households. Moreover, residential patterns amongst immigrants differ somehow from those of native households, e.g. they concentrate in central areas where rent is more available and cheap.

Within this context, some speakers and colloquium participants raised a number of questions, such as: who is helping immigrants to integrate? What should be the role (if any) of social housing providers in this process? While there seems to be increasing awareness about the challenges that immigration will bring about in the field of housing, there seem to be few answers. This is clearly an issue where there is the need for more research and reflection in the future.

2. Eastern Europe: what institutional framework for social housing provision?

Tsenkova's presentation emphasized the need for Eastern European governments to make policy choices with regards to the size and character of the social rental sector. Drawing on Kemeny's models of housing provision in Western Europe ('unitary' and 'dualist') she referred to the likely consequences of each of these models if they were implemented in the Eastern European context. She highlighted the residualisation and segregation that small models can bring about, and the need for larger systems to be more demand-sensitive and avoid subsidising relatively wealthier households when middle-income households are eligible for social housing and are able to pay higher rents. She stressed that no specific model is to be regarded as the ideal solution, but rather their relative merits and social and economic implications should be carefully assessed when thinking about improving social housing provision while reducing social exclusion.

In fact, as can be seen in the Report Housing Europe 2007 (Czischke et al 2007), in many Eastern European countries the respective governments have embarked over recent years on reforms of the institutional and financial frameworks for the provision of social / affordable housing. Some of these programmes include incentives for not-for-profit and private landlords to build affordable housing, either for rent or for ownership. Clearly, as in our previous point, we believe that there is considerable work to be done in this field. We hope that Eastern European member states can learn from both the successes and the pitfalls of Western Europe's long-standing and very diverse social housing systems.

We hope that the contributions presented at these colloquia and the debates these have triggered help to shed some light on these challenges.



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Giuseppe Roma, Director General of the Censis Foundation, graduated in urban planning at the Faculty of Architecture of the University of Rome "La Sapienza" in 1974. He obtained a specialized diploma in "Territorial planning applied to Metropolitan areas" at the Faculty of Engineering. In 1975 he started his collaboration with Censis Foundation (Social Investments Studies Centre) as scientific adviser and, in 1993, after having directed numerous research projects, feasibility studies and urban and territorial policy projects, he became Director General. Over the past years Mr Roma held office for various organisations, both associative and institutional. From 1989 he has held the post of Secretary-General of the Association for Italian cities (RUR), and from 1991 he has been the Secretary of the "Club of medium-size cities". Furthermore he is also a member of the Council of ANIDE (National Association for the Information and European Documentation) and a member of the National Institute of Urban Planning. As of 1998 he has been Member of the Scientific Committee of river basin authority for the Po, and, from 1995 he has been member of the Scientific Committee of Federtrasporto. In 1995, he was appointed Coordinator of the Scientific Committee for Giubileo 2000 of the city of Rome. From 1991 he is teaching at the School of Specialization of the University of Rome "La Sapienza". He is also Director of "Censis - Notes and comments" and Director of "RUR Letter".

Jesús Leal



Jesus Leal is a Sociologist and has taught at the Faculty of Political Sciences and Sociology at the Universidad Complutense de Madrid since 1997. He is the Director of the Urbanism Course at the Public Administration School (Escola Galega de Administracion Publica) and is responsible for the Module on politics, economics and sociology at the Master in Collective Housing at the Polytechnic University of Madrid. Leal teaches on a variety of Master courses on Urban and Housing issues in Spain. He is also a member of several European urban and housing research networks, such as the ENHR (European Network of Housing Research), the CNRS-Sciences Politiques, France, etc. He has conducted research and published widely on housing and housing policies in Spain and on urban segregation in European cities.

Peter Malpass



Peter Malpass is Professor of Housing Policy at the University of the West of England, Bristol. He has been involved in housing research and teaching for 35 years, and has written widely about aspects of housing from urban renewal to rents policy. His main enduring interests are in the history of housing and the connections between housing and inequality. He is the author of a number of books, the most recent being *Housing and the Welfare State* (2005) and the edited collection, *Building on the Past: visions of housing futures* (2006)



Sasha Tsenkova



Dr Sasha Tsenkova is Professor of Planning and International Development at the University of Calgary. She has a Ph.D (Architecture) from TU Prague and a PhD (Planning) from the University of Toronto. Over the last 25 years Dr Tsenkova has been involved in teaching, research and professional activities in the areas of urban planning, housing policy and comparative urban development. She has extensive experience in the field, working with different research institutes, government agencies and international organizations. She is the author and co-author of fifteen books and research monographs on urban policy, regeneration, urban sustainability and housing policy. Her most recent books include "The Urban Mosaic of Post-socialist Europe" with Dr Budic and "Housing Change in Central and Eastern Europe" with Dr Lowe. Dr Tsenkova has received a number of prestigious awards for international scholars, such as Killam Fellowship, Sasakawa Scholarship, and International Peace Scholarship. She has presented the results of her work in more than 30 countries, often as a keynote speaker.

Livio Pilot



Livo Pilot was born in Venice in 1949 and is an Architect by training. After gathering experience in project design and management, he started working for the co-operative movement Legacoop in the housing field in 1977. Pilot is currently the Director of the National Association of Cooperatives of Inhabitants (ANCAB) of Legacoop. Furthermore, he is a Member of a variety of institutions linked to the housing field, such as: the National Commission for Solar Energy at the Ministry of Environment; Member of the National Committee for the Housing Co-operatives' Register at the Ministry of Economic Development; and Member of the Advisory Committee on housing policies at the University IUAV of Venice.

Pablo Aretxabala



Pablo Aretxabala Pellón was born in Bilbao in 1970. He obtained a degree in law (Licenciatura en derecho) from the University of Deusto (Basque Country, Spain). In addition, he completed an MBA at the University of the Basque Country (Universidad del País Vasco). Aretxabala has been involved in business management in different economic sectors. Since 2001 he is the General Director of Housing and Land at Euskadi, S.A, the public company for the promotion of housing and land of the Basque Country.

Darinka Czischke



Darinka Czischke is the Research Director of the European Social Housing Observatory at CECODHAS. A sociologist and urban planner (MSc Regional and Urban Planning at the London School of Economics and Political Science, Distinction) since November 2004 Darinka has been in charge of re-establishing and developing the Observatory. In this role, she monitors trends in housing policies and carries out policy- and practice-oriented research on strategic themes for the sector, such as: characterisation of the social housing sector in the EU; management models of social housing organisations in Europe; the role of social housing for social cohesion and for the integration of immigrants, etc. Her international experience includes working on policy-oriented research and project management in the urban, social and environmental fields for a number of institutions, including: the LSE Cities Programme; the ESRC Research Centre for Analysis of Social Exclusion (CASE); the Greater London Authority (GLA); the Environmental Planning and Research Centre (CIPMA) in Santiago, Chile; and the Institute of Sociology at the Universidad Catolica de Chile.



ANNEXES







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ANNEX 2: Programme of the colloquium

Second colloquium on “The future of social housing in the EU”

“Welfare transformation and demographic change in Europe: Challenges for the social housing sector”

09:00	Registration
09:30	Welcome
	Paul Louis Marty, President of CECODHAS
	Ferran Julian Gonzales, President of AVS Catalunya
	Carmen Trilla, Secretaria de Vivienda, Generalitat de Catalunya
10:00	Setting the scene
	“Welfare transformation and demographic change: What are the questions arising for social housing providers?” Darinka Czischke, Research Director, CECODHAS Observatory
10:30	Keynote speakers
	“Welfare transformation in Europe: a comparative analysis” Giuseppe Roma, Director General CENSIS Foundation, Rome (Italy)
11:15	Coffee
11:45	“Social and demographic change: Issues for housing provision from a Spanish perspective” Jesús Leal, Facultad de Ciencias Políticas y Sociología, Universidad Complutense de Madrid (Spain)
12:30	“The transformation of welfare and housing: Reflections from a British perspective” Peter Malpass, Professor of Housing Policy, University of the West of England, Bristol (UK)
13:15	Questions
13:30	Lunch
15:00	“Welfare and housing in Eastern European countries: Main trends” Sasha Tsenkova Professor in International Development, University of Calgary (Canada)
15:45	Roundtable
	Practitioners’ reactions
	Livio Pilot, Chairman of ANCAB (Italy)
	Pablo Aretxabala Pellón, Director General of VISESA (Basque Country)
16:15	Open debate with the public
17:00	Conclusions
17:30	Closure



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