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# 3. Learning from history: changes and path dependency in the social housing sector in Austria, France and the Netherlands (1889-2008)

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#### Introduction

The history of social housing in Europe began more than a century ago. Under most of 'old' Europe's governments social housing became a key element of local and national welfare policies, after the 'social warfare' that marked the first stage of industrialisation'. Now much of Europe has a common history of social housing with shared roots, a shared philosophy, and a large variety of experiences. But fundamental questions are being asked about the role of a social sector in the housing supply, and probably about its (changing) nature itself.

Our thesis is that European social housing history can be interpreted through the combination of two complementary notions: path dependency and change. We argue that socio-political experiences and practices at the national, regional or municipal level are potentially powerful determinants of historical developments—an idea known as path dependency. However, they do not stop unexpected and sometimes rapid change. Change is produced by the combination of inherited experiences and mutations in specific demographic, political, social and economic circumstances. Different institutional contexts in different countries, and the varying interplay of actors in each, means that the history of social housing reflects a complex patchwork of disparate legislative, financial and architectural realities rather than a linear evolution. Our paper will therefore not offer a chronology of social housing but a descriptive and analytical view of the main historical sequences in which the fundamental ideas of social housing were implemented and the most significant configurations of actors and institutions that emerged.

The title of our paper, 'Learning from history,' does not mean learning about the future through studying history. This 19th-century socio-technological planning approach (famously expressed by Auguste Comte as 'Savoir pour prévoir, afin de pouvoir') was a key ideology of industrial modernity. Instead we take a socio-historical approach, which can illuminate the dynamics of change and the reconfiguration of the social housing system and allows us to formulate questions for further investigation.

Social Housing in Europe II

The article's general thesis is backed up by a specific examination of three countries where the social housing sector has traditionally been large, and where it still accounts for a significant percentage of the whole housing supply: Austria, France, and the Netherlands. France has the largest stock in absolute numbers (4.2 million units), the Netherlands has the highest proportion of social housing (35 per cent of dwellings are in social rental), and Austria has the biggest rental sector (45 per cent of dwellings are rented, 27 per cent in social rental). All three countries share a strong tradition of municipal power in their biggest cities, where social housing makes up a huge percentage of the total housing stock (e.g., 40 per cent in Vienna and 52 per cent in Amsterdam). The development of social housing is deeply rooted in the political history of each country and its development of the modern welfare state. The comparative approach thus offers an opportunity to observe the different administrative and geographical layers of social housing policies, and the changing structure of social propriety produced by the actors' interplay.

We start by identifying five main periods in the history of social housing. We then set out to analyse the processes that helped create the fascinating patchwork of social housing which 'affirms its originality and its singularity' (Guerrand, 1992). A selection of issues for further research is presented at the end of the article.

### From the origins of social housing to the present: a patchwork of practices and experiences

The origins: housing reshaped by utopia, philanthropy and industry

During the 19th century industrialization attracted masses of job-seeking people to the urban areas where new industries were concentrated. This migration happened early in some countries and regions, later in others. The cities were not equipped for these large flows of migrants: Poverty, overcrowding, poor hygienic conditions, disease (e.g., the 1832 cholera epidemic in European cities) and other misery became more and more evident. Speculators, factory owners and investors built high-density estates with poor heating and sanitary provision, or even none at all, to house the

newcomers. The demographic development was indeed impressive: In Vienna, for example, the population quintupled from 400,000 to 2 million over the second half of the 19th century. The masses were housed in badly equipped blocks ('caserns') or barracks; according to the 1869 census, 10 to 20 percent of the population (depending on the district) could be classified as Aftermieter or Bettgeher – inhabitants who had access to a bed only during a couple of hours, and often had to share it with somebody else. A similar situation could be found in most European cities. In Paris, according to Jacques Bertillon's analysis of the 1891 census, dwellings were not as overcrowded as in other big European cities such as Berlin or Vienna. Nevertheless, the population of Paris reached one million in the middle of the century, and had grown to more than 2.9 million by the eve of the First World War.

During this period of rapid industrialisation and urbanisation there was an absence of regulation and planning of housing for the emerging working class. The first 'social' housing initiatives were taken not by local or state authorities but by private actors such as companies, factory owners and philanthropists. Such initiatives took place all over Europe; some notable early French promoters include Schneider at Le Creusot, Menier at Noisiel, Godin at De Guise and Dolfus in Mulhouse. In Austria as well, the first working-class housing estates were built by factory owners starting in the middle of the 19th century (e.g., the Krupp estate in Berndorf). In Amsterdam, many dwellings were built under the influence of Florentinus Wibaut. This 'social entrepreneur', a member of the Catholic gentry was an important figure in social democratic Amsterdam of the first decades of the 20th century. The early history of social housing is rich in such proactive bourgeois personalities.

At the same time private foundations emerged, funded by the aristocracy and bourgeoisie. These foundations (like those of Rothschild or Rowston) were especially active in countries with a strong tradition of religious social commitment, like Great Britain and the Netherlands. In their conception, housing was at the core of the organisation of the inhabitant's entire life. The most ambitious projects controlled and supported residents 'from cradle to grave'. Regardless of whether the funds were collectivistic or libertarian, whether they supported private ownership or renting, their aim was always to organise the relationship between workforce and capital in the most profitable way for the latter. However, the numbers of dwellings in these new forms of 'social housing' were negligible; most of working-class people continued to live in extremely poor housing conditions. Although the dwellings were only for a 'happy few', the ideas behind them pointed the way towards the concept of social intervention.

A combination of motivations led to the passage of housing acts in all European countries at the end of the 19th century: social (combating injustice), economic (protecting profits by keeping the workforce healthy), public health (diseases don't stop at the borders of wealthy neighbourhoods) and the fear of uprisings. Belgium, with its 1889 Act, was the first in the world; Britain came second in 1890 with the passage of the Housing of the Working Class Act. In France, the *Loi Siegfried* (1894) was followed and completed by the *Loi Ribot* (1908) and the *Loi Bonnevay* (1912), which created the Public Offices of Habitations à Loyer Modéré (HLM). In Austria, the 22 December 1910 Act created a banking system that would channel money from taxes to housing construction, and allowed the State to support housing construction initiatives by guaranteeing the funds. In the Netherlands, the *Woningwet*, passed in June 1901, laid the foundations for an organisation of land that subordinated private owners' interests to those of the community: in that sense, it implemented 'social municipalism'.

Although local and national situations differed greatly across Europe, the start of regulated social housing was similar in many countries. By 1914 the conditions for combining private and public initiatives were in place, even though there were as yet few concrete initiatives. National policies emerged from a broad consensus across the political spectrum. They generally included such elements as tax changes, direction of savings towards housing construction, tentative moves towards tenants' protection, support for home ownership, creation of housing associations and the adoption of administrative instruments to combat housing misery. The fundamental ideas of social housing, and the key elements of a regulatory housing policy, were basically in place by the eve of the First World War. Of course, the implementation of this regulatory housing policy was conditioned by specific national contexts and traditions. These included the degree of urbanisation and other social or cultural (including religious) characteristics, as well as the specific form of the emerging nation-state and the structures of its political system, society and political parties. The founding ideas of social housing were put in practice across Europe by different but inter-related actors. Social housing became a key element of the social welfare system in industrial societies, leading to a patchwork of practices and experiences that cannot be explained adequately only by theories of divergence and convergence.

The period of municipal commitment to social housing

Writing about the 'needs of the working class', French sociologist Maurice Halbwachs pointed out in 1912:

La classe ouvrière n'a pas encore pris conscience de l'importance sociale du logement. Il est permis de vouir là un des effets les plus certains de l'affaiblissement chez ses membres, par suite des conditions anormales de leur travail, des sentiments et des désirs sociaux<sup>ii</sup>.

Reformers from different political backgrounds would commit themselves to awakening this consciousness.

The social question, which became more pressing at the end of the 19th century in the context of the class struggle between labour and capital, required concrete political answers. The legislative framework set up around the turn of the century in almost all European countries represented an important first step in providing such answers. However, these housing acts did not immediately stimulate the provision of social housing; not until after the First World War was social housing built in significant quantities. This relatively long time lag between intention and implementation was due to the fundamental socio-political changes that had taken place. Old European empires were defeated and had to make a new start, new nations were created, new conceptions and ideologies of mass education ('bio-politics') gained currency. In addition, the war had caused serious damage and shortages. It was in this context that public authorities (mainly municipal) and other political and societal actors entered the social housing system. These included political parties, trade unions, associations and cooperatives, some of which were created far earlier but had so far not yet played a very important role.

In Austria, after the declaration of the First Republic (1918) and the administrative independence of Vienna as a proper province (1922), Vienna's social democratic government began to be very active in the field of social housing. Outside the capital city, however, social housing activities remained marginal. The 'Red Vienna' social housing policy was a key element in the creation of a local welfare state. Between 1919 and 1934 about 64,000 dwellings were built to high architectural standards, with innovative equipment. Radical new for those days was the development of dwellings with a modern functional kitchen system (e.g. that of the Viennese architect Margarete Schütte-Lhotzky).

In the Netherlands – neutral during World War I – the national government intervened heavily from 1916 onwards. Large subsidies were provided to stimulate housing construction. The years up to 1930 were an important period in Dutch social housing. Many estates were built; they were characterised by high architectural quality and spacious dwellings (for those days), and were often set in Garden City-like environ-

ments. The so-called Amsterdam School gained international fame: more than 30,000 housing units were built there between 1915 and 1921. The underlying idea was to uplift the material and moral condition (according to the views of the time) of the population. These kinds of social housing areas were built not only in the major cities, but in towns all over the country. Most of them are still highly regarded and many are now protected as historic buildings.

In France over the same period, companies still provided the bulk of housing for their workers. At the municipal level, Habitations à Bon Marché (HBM) societies, set up to build and manage housing with public support, start to develop. So-called Public Offices were set up to collect funds, build and manage houses for wage-earners. The first was created in La Rochelle in 1913, and the Public Office of the Seine department was created in 1914. By 1920 France had 38 public offices for HBM, 452 private societies of HBM and 82 societies for real-estate loans. In Paris and Lyon pioneers such as Henri Sellier and Lazare Goujon were fighting to enlarge the social housing stock and tackle the slums (50,000 dwellings were constructed on the 'zone', the former military circle around Paris, and 1,500 in Lyon's Villeurbane centre), but such concrete activities were the exception.

With the increase of municipal commitments, often accompanied with the establishment of a local welfare state, social housing became a central tool not only for combating the housing-related misery of the working and popular classes in the aftermath of World War I, but also more broadly for stimulating mass educational and moral reform. The newly-established system of social housing was therefore strongly selective and systematically linked to a system of control. This can be seen in Dutch municipal initiatives such as *Woonscholen*, houses where people were taught how to use a dwelling properly, and *Control-Woningen* where those judged unable to behave decently in a 'normal house' were extra supervised. In both the Netherlands and France there were for a long time housing inspectors or *visiteuses à domicile*, whose role can be considered ambiguous since they (sometimes) collected rents or distributed social allowances, but at the same time inspected the properties. Similar types of control were also implemented in Vienna with a special emphasis on social hygiene.

In all three countries, municipal authorities mainly selected social-housing residents on the basis of membership of unions or socialist or communist parties, according to the political 'colour' of the municipality. In the Netherlands *verzuiling* (pilarisation), the compartmentalisation of society along religious or socio-political lines, could be seen in unions, schools, neighbourhood centres, cultural organisations and housing. There were housing associations for Catholics, Protestants, socialists, generalists, etc.,

resulting in streets or neighbourhoods of like-minded people. This compartmentalisation would last until at least the 1970s and its effects are still visible in Dutch society.

The great depression and its effects on social housing

The destruction caused by the First World War led governments (in particular local authorities) to adopt a more interventionist attitude. The world economic crisis of 1929 caused huge economic and political disruption everywhere, but the effects on social housing policy differed. In the Netherlands, government subsidies for housing were frozen from the mid-1920s onwards. The private sector took the lead in housing construction, building mostly private rented housing. Meanwhile, high and increasing unemployment rates made it hard for tenants to pay their rent, leading to evictions and vacancies. In Austria, the economic crises provoked a radical fall in construction activities after 1931, and the civil war ended in 1934 with the defeat of Red Vienna. The period from 1934 onwards was characterised by local (Austro) fascism and, after Austria was incorporated into Germany 1938, the Nazi regime. Some social housing activities, strongly coloured by fascist and racist ideologies, did continue during this period but were rather marginal (especially in the Nazi period). France was different. Whereas in Austria and the Netherlands much urban housing was provided by the social sector or the market rented sector (apart from owner-occupied housing for the better-off), in France employers had a major role: most new housing for working-class people was still provided by entrepreneurs. Just before World War II public involvement was still very modest: the number of houses provided by employers was double that built with the help of public funding (900,000 units versus 1.8 million). Private rental housing, or maisons de rapport, remained the mass accommodation for working class people.

Towards housing for all? The mainstreaming of social housing after World War II

The three decades following World War II are often considered to be the golden age of social housing — *les trentes glorieuses*, the French call it. Indeed, this was the period that the largest numbers of social dwellings were built, but there was a boom in construction of housing of all types. In a general context of housing shortage, social housing — which was generally well designed and well equipped, even if not always optimally situated — was attractive not only to working-class people but also to employees belonging to the middle-class, key workers and civil servants. It was also generally restricted to citizens. In Austria the law kept foreigners out of social housing, while in France and the Netherlands immigrants from former colonies had (theoretically) access to social housing as well. This 'mainstreaming' of social housing

owes much to the functionalist notions of modern society and the implementation of the post-war welfare regime. Accessibility, functionality and uniformity were the guiding concepts of social housing policy, which aimed to supply affordable housing for workers and their families. And in fact social housing did provide millions of households with a generally very much appreciated improvement in their housing situation.

This mainstreaming of social housing did not actually start immediately after World War II, when much of Europe had descended into social, physical and economic chaos. In both the Netherlands and France about 20 percent of all housing had been destroyed or damaged; in Vienna, 13 percent of housing was destroyed. In France, where interwar housing production had only been half that of Germany and Britain, the war's depredations aggravated the shortages that were already evident in the 1930s. The immediate post-war priority for many countries was to rebuild their economy. By the 1950s, however, family formation and the post-war baby boom had created even greater demands. During the 1950s and the 1960s, the provision of sufficient housing became a top political priority. In France, colonial wars and industry came first on the agenda, but the formation of what has been called a 'techno structure' of banks, construction companies, architects, urban planners and engineers belonging to the Modern movement finally led to new dynamism in the construction sector. Big estates (more than 1000 dwellings) came to dominate, and there was a consensus around building specific collective accommodation for migrants (fovers). Government and industry came to an agreement that culminated in the passage of the '1% Law' (1953), which stipulates that every company with more than 50 employees must invest in social housing construction. Thus the private sector continued to play an active role in providing housing, as it still does today.

In Austria, social housing appeared for the first time on the national agenda of the post-war corporatist welfare regime. While the municipality of Vienna continued its construction activities, the historical milestone in Austria's social housing history at national level is the Subsidised Housing Act of 1954, which led to the construction of hundreds of thousands of dwellings. In the Netherlands, housing production gradually increased, reaching a peak in the early 1970s of over 150,000 dwellings per year, about half of which were in the social rented sector. In all three countries these high production levels were reached through a combination of technological improvements, series production and uniform designs.

In the three decades following 1950, social housing fostered upward mobility for the working class on the one hand, and consolidation of the position of the middle class on the other. Broad access to social housing was an important element of the 'eleva-

tor effect<sup>\*\*\*</sup> that allowed the majority of the population to share the wealth of the economic boom. Social housing policy was a key factor in establishing and consolidating the national welfare state, following Scandinavian example. Governments supported housing directly with high bricks-and-mortar subsidies. Big cooperatives and non-profit housing associations were created, sometimes still linked to (local) government, and became important actors in the housing system.

Individualisation and fragmentation: Social housing at the turn of the 21st century

The period from the mid-1970s onwards was characterised by a gradual withdrawal of state-related actors from housing. Housing, like other pillars of the welfare state, became more and more individualised — that is, oriented towards the needs of the different milieus of working and middle-class people. At the same time social housing ceased to be a major government issue. Decentralisation of responsibilities on the one hand (the retreat of national actors and the increasing influence of local and private ones), and ideological individualism on the other (the notion that each person should look out for him or herself) are two sides of a coin. Owner occupation was further encouraged, and in almost all European countries, except Austria and the Scandinavian welfare regimes, bricks-and-mortar subsidies were reduced in favour of personal subsidies like housing allowances and tax deductions. The disengagement of central government agencies strengthened the position of the non-profit sector (associations and corporations) and private actors.

In the Netherlands, the retreat of central government led to higher levels of owner occupation and more powerful social housing organisations with increasingly professional management. Local housing associations improve their organisation and have a say not only in the provision of housing for popular classes, but also in the design of the local environment, the quality of the neighbourhood and the well-being of their tenants. Housing associations play an increasing and powerful role in urban renewal, both because they own most of the housing stock in renewal areas, and because their professionalism and financial means make them obvious leaders. They see themselves as policymakers, implementers, and social engineers: improving their housing stock, the local environment, social cohesion and tenants' individual potential.

In Austria, the weakening of the post-war corporatist regime was accompanied by a strengthening of market principles in the rental sector (the 1981 tenancy law deregulated rents) and a general decentralisation of the social housing system (1988). As a consequence of these reforms and of socio-demographic changes (a greater pluralism of household forms and family patterns, the ageing of the population, new immi-

gration), the social housing sector became more diversified. It was also marked by increasing inequalities between the different housing sectors, different practices in the country's nine regions, and construction of dedicated units for different target groups. But the messages are contradictory: Public discourse now elevates private property and contributes to the stigmatisation of municipal housing in particular, but the system of public subsidy, still oriented towards bricks and mortar, remains a highly regarded part of the normative welfare consensus.

In France, after social housing construction peaked in 1971 it stagnated at the lowest levels as a result of policy changes and the shift from bricks-and-mortar to personal subsidies. In addition, the structure of the product changed: less was built for the lower income groups, while more was provided for medium and upper-income households. All forms of 'very social' housing (targeted at the most deprived) were again expected to fill the gap. At the end of the 1990s, the problem of so-called 'sensitive urban areas', or very run-down neighbourhoods, led to urban renewal programs that featured the demolition of big social housing estates. In France, state intervention was late compared to other countries, technocratic and centralised (carried out according to national plans, with no development of bottom-up initiatives), productivist (focused on big estates) and 'Modernist' (collective not individual). The current situation is paradoxical: the housing sector as a whole (construction and transactions) is active and profitable, but many households are poorly housed or homeless (in total about 3 million). The sector now faces three main issues: location (social housing was originally built where industries developed, then in the suburbs of cities, and is now becoming dilapidated), reputation (the image of social housing is getting worse), and function (the sector is asked to carry out contradictory missions such as fulfilling the right to housing and fostering social mix).

The rise of neo-liberalism in nearly all European welfare states in the late 20th century has meant that individualisation and fragmentation now increasingly characterise the social housing system. Whereas individualisation relates both to socio-demographic changes and to neo-liberal ideology, it is also strongly linked to the increasing fragmentation of the social housing sector. This fragmentation reflects structural changes in the economy and the labour market, which have had negative effects on living standards, job stability, and equality of opportunities. These growing inequalities leave strong marks on the social housing system.

#### An analytical view of history

The question now could be: is social housing still social? Underpinning social housing has always been a (relative) consensus on the definition of the common good. Social housing in Europe developed as a utopia and a collective project for modern industrial society. Emerging from the antagonistic relationship between labour and capital, the project was implemented by a power triangle of state, market and societal actors. Like other elements of the modern welfare state, social housing fulfilled important economic, social, cultural, and integrative functions. How is this collective project, based on a surprisingly stable normative consensus, faring now? An analytical view of history can offer some insights. The following attempts to model such a view:

We have inherited a patchwork system of social housing. Its heterogeneity stems from the fundamental idea animating its development: that a solution had to be found for the terrible housing situation of working-class people. For various reasons—fear of physical, moral and political contagion—the housing of the working class became an essential dimension of the social question that emerged from industrial modernity. The relationship between capital and labour, and its regulation, which were at the core of the social question, became the core of the housing question itself. This relationship has been a key to defining common wealth and welfare for more than a hundred years with changing figures of the power relation between labour and capital and its different kinds of institutionalisation (trade unions, governments, social landlords, companies interplay). According to this analysis, social housing developed as a compromise between different or even opposing philosophies and political understandings of the common good. Even so, some periods were positively consensual—for example, at the beginning of the 20th century, and after World War II. But what about today?

As long ago as the Middle Ages, some enlightened rich people provided good housing for deserving workers and their families. The Fuggerei, founded at the beginning of the 16th century by Jacob Fugger, one of the first worldwide capitalist financers, is often regarded as the first 'social housing' initiative. But this was purely private. Social housing as we understand it started as a collective political expression at the end of the 19th century. One incontestable reference point is the first European congress of HBM, which took place in Paris in 1889. It is interesting to note that this first congress decided to renounce the old name of *Habitations Ouvrières* in order to target a wider range of social classes. The significance of housing as 'social' is therefore structurally linked to the emergence of the modern nation-state, which defines the common good in the interest of social cohesion, and demonstrates its potential of intervention. Social housing was from the beginning seen not only as an aid for poor people but

also as an instrument to address the specific economic, social, cultural and integrative concerns of modern society.

Since this 'founding event' in Paris, social housing has developed in complex and variable patterns that reflect different configurations of ideas and architectural conceptions; norms; and financial, judicial and administrative decisions. These shaped the concrete forms of housing estates and the types of inhabitants who lived in them. Obviously, these patterns relate to specific local traditions (i.e., the character of civil society) and contexts (the level of industrialisation, economic crises or prosperity, wars and their consequences). We have seen that war, political change and economic growth introduce new possibilities into the usual (path-dependent) patterns. The compartmentalisation of society in the Netherlands, the tradition of associations in France, and political polarisation in Austria are among the historic forces that have framed successive developments.

These patterns are based on shifting balances of power among the relevant actors: companies, unions, banks, governments, local authorities, societies, non-profit organisations, corporations. Social housing was never dominated by one actor for a long period. Private and public interests, central governments and local authorities, leftwing and right-wing ideologies, individualism and collectivism, big estates and single-family units, renting and ownership – all could be found in social housing. The heterogeneous (patchwork) character of the system may explain its exceptional capacity for adaptation and innovation. It is also the source of its remarkable pluralism - the actors are continuously reconfiguring, establishing new alliances and 'techno-structures' to adapt the fundamental ideas to new needs and circumstances and the structural characteristics given by path dependency.

Consequently, the question of change is central – change in the sense of the capacity of societies to find solutions for the problems they face. Social housing itself was the solution to a problem: employers and politicians had to deal with labour-force instability, with overcrowded houses and unhealthy cities, with social disintegration and the emergence of 'dangerous classes'. At the origins of social housing there was a convergence of interests around what became a dominant political position. Innovations in administration, management, financing, architecture and technical issues were made—and still are. The question today is: what are the dominant patterns now, and what are society's needs and demands?

To an increasing level, society's needs don't fit with individual needs. The big concern today is individual social security, and our societies seem to be unable to ensure it in

a collective way since the labour market is so drastically changed. Rather, solutions are individualistic since social problems receive privatised answers. Social housing and social intervention more generally, seem to be losing their communal and social character and becoming more individualistic and private.

#### Concluding remarks and suggestions for further research

Social housing had its beginnings in the antagonistic relationship between capital and labour, and was therefore linked to the definition of the social project as a common or collective one. If this structuring force is weakened it brings into question the social project in general and the idea of social housing in particular. The question, 'Is social housing still social?' leads us back to the integrative forces of modern industrial societies: labour-market participation, family attachment, inclusion in the welfare system. There are important indications that societal integration is undergoing profound transformation: the instability and precarity of the labour force, the questioning and transformation of traditional family patterns, the regression of the welfare state.

Since the origins of social housing, almost all those parameters which defined it as a social project, and which contributed to collective well-being and social cohesion, have changed. The population living in social housing and their social milieus have changed, as have the standards, needs and conceptions of good housing. The relations between housing and the work force have changed. The forms of collective financing and the collective welfare or protection systems have changed. Path dependency is still evident in the development of social housing in the three countries, but changes can occur very quickly if the conditions allow it. And above all, one could hardly claim that a good balance between demand and supply has been reached.

Where is social housing heading in the future? Housing needs have been replaced by the increased housing demands of the many (not all) with growing wealth. Housing experts often ask whether social housing is now seen as the problem rather than the solution. This question is systematically linked with the tendency towards an economisation and privatisation of the social as a collective good—that is, the retreat of state actors and the dominance of private stakeholders and interests. But this does not take into account the privatisation of 'the social' itself. As the review of social-housing history shows, housing was defined as a social issue under specific historical circumstances. The earliest social housing was provided by merchants (e.g. Fugger), but it later became an integrative part of the general social agenda in the context of the serious market malfunctions of industrial society. The actors at the time viewed the struggle between labour and capital and the establishment of the modern nation as

crucial in the implementation of a social housing regime. In late modern societies the notion of the social itself is changing again: The social is no longer identified with the common good, but with the concept of personal assistance for those who are not able to provide for themselves. In this sense the issue of social housing is again becoming privatised and individualised. The privatisation of social housing units – a process that is just starting in our three countries – is consistent with this 'social privatisation' of policies, and is probably irreversible.

A general interpretation of change in late industrial society would be too speculative. We therefore would suggest that case studies be undertaken to test the hypothesis that a new patchwork is emerging from the interplay of path dependency and innovation in the social housing system. Ideally the approach would be global, taking into account such parameters as economics (the place of social housing in overall supply, markets and price formation), sociology (who is housed, what needs social housing is supposed to fulfil, the philosophical basis on which it developed), politics (the interactions between actors and leaders in the political decision-making process) and culture (the predominant style of architecture, the mobilisation of socio-cultural symbols). We would like to suggest some possible small pieces of work: The following research ideas, while not exhaustive, could extend the present analysis.

Continuity and change in the architecture and planning of social housing (big estates vs. garden cities?)

Garden cities, invented and promoted by Ebenezer Howard, have left a glorious legacy, but today the idea of sustainable development has made us recognise the virtues of density. More generally, builders have to deal with technical and urban planning requirements and people's preferences. Social housing providers compete with other builders to innovate. This question would allow researchers to go beyond the current ideological struggle and deeper into the contradictions of the patchwork heritage.

Continuity and change in local-authority leadership (the end of municipalism?)

The recent tendency towards decentralisation has created opportunities not only for local government but also for private actors. There is growing tension between the aggressive speculative market and collective propriety, and decentralisation is one factor in this conflict. Municipalities have to find a way between growing financial constraints and more political responsibilities, and this contributes to delineate new objectives and partnerships (as in the social care sector).

Continuity and change in the role of state (retreat or transformation of the state's role?)

Social housing started as a way to meet the needs of the working classes and so solve the social question. The state was actively involved in making housing part of the welfare state. Should the government be responsible only for the least well off, which could lead to the residualisation of social housing? The historical overview shows that both private and public actors have always been involved in social housing. This may be a starting point for redefining the current changes in terms of funding, and the general principles for state action. What roles do state actors actually play now, particularly in the context of urban renewal and urban development policy?

Continuity and transformation in the tenure orientations and 'targeted populations' (towards the dominance of ownership?)

Considering the history of social housing from the point of view of tenure, it is clear that social housing is not, and was not, exclusively rented. Most European governments promote owner occupation as a central goal of housing policy. This has led to the redefinition of tenures and targeted populations for social housing. Who is now the targeted clientele for rented social housing, and for possible acquisition of the dwellings? The emergence of a category of 'poor owners' in the Central Eastern European countries is interesting to observe in that context. Is the competition between workers in the public and private sectors, between national and local, going to increase? Should social housing be for the traditional working class or for so-called 'key workers' and 'disadvantaged people'?

Continuity and change in the organisation of neighbourhood life

Much social housing is intended for collective use. This stems from both financial considerations (sharing costs makes facilities available for all) and ideological ones (it promotes the pacification and socio-political integration of working-class people). The former integrative collectivist character of social housing, which was reinforced by its architectural design and urban planning, has disappeared, while communitarian practices are now more evident in low-cost private neighbourhoods. How can common spaces, especially in social housing neighbourhoods, adapt to the contradictory needs of individualism and social support? What are new forms of collectivism or communities? The image of these neighbourhoods, and perhaps of the whole social housing sector, should be re-evaluated in this context.

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Social housing: a European issue or a global one?

This question could figure as an additional sixth area for future research, but it covers many fundamental issues which are not only of academic interest. Has social housing, whatever its form, become a globalised issue? The history of social housing is deeply embedded in the history of European industrial modernity. Social housing played a key role in consolidating social cohesion in the process of rapid industrialisation and urbanisation, and the current patchwork of social housing provision is unique to Europe. But the issue of social housing is now also crucial in non-European countries (e.g. China, the Maghreb, Latin America, South Africa), and should be studied there. These countries have experienced powerful economic development, and mass migration from poorer peripheral regions to cities has led to explosive urban growth. The story has not reached its end, and examining the issues from a global perspective can only benefit European studies of social housing and welfare.

#### **Endnotes**

- In his study of working class living conditions in England, Friedrich Engels wrote: "Everywhere barbarous indifference, hard egoism on one hand, and nameless misery on the other, everywhere social warfare, every man's house in a stage of siege, everywhere reciprocal plundering under the protection of the law, and al so shameless, so openly avowed that one shrinks before he consequences of our social state as they manifest themselves here undisguised, and can only wonder that the whole crazy fabric still hangs together." (Engels, 1845)
- Maurice Halbwachs, La Classe ouvrière et les niveaux de vie. Recherche sur la hierarchie des besoins dans les sociétés industrielles contemporaines. Paris, Alcan 1912. "The working class is not yet aware of the social importance of housing. It is permitted to see this as one of the most certain effects of the weakening among their members, due to the abnormal working conditions, of feelings and social bounds." (Free translation)
- <sup>™</sup> see Ulrich Beck, Risk Society, Towards a New Modernity. London, Sage 1992
- ™ This analysis does not take in consideration the new context of the severe financial crisis and its possible impacts on housing construction.
- <sup>∨</sup> According to the Fondation Abbé Pierre Annual Report 2007

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## 4. Social housing and private markets: from public economics to local housing markets

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#### Introduction: Social housing under fire

Social housing as a particular segment of the rental housing stock, supported and /or owned by public or non-profit bodies, has long been a mainstream approach to housing provision in most north west European countries, including France, Denmark, Great Britain, the Netherlands and Sweden. Since 1945 its legitimacy has not really been questioned, although it rested mainly on social and political arguments, rather than a strictly economic rationale: it was part of the general understanding of the overall welfare system.

This strong historical legitimacy has become increasingly contested. Since the 1970s, economic criticism has been growing, based on arguments about efficiency, cost, and even equity. At national level, tighter budgetary constraints since the mid-70s and the general move towards state withdrawal from housing has led to reduced support for social housing. At the European level, single-market regulations being introduced by the Commission are pressuring countries towards more restrictive or residual systems of social housing, where access is limited to the poorest groups of households with the rationale that more general assistance is anti-competitive. Yet there is also evidence of a rather different legitimacy beginning to emerge.

Starting from public economics fundamentals, this chapter addresses the issue of the role of social housing by discussing the economic rationale for social housing; why commitment to such housing has been weakening in the last three decades; and where social housing might go in the near future.