Panel 3 Housing and Social Policy

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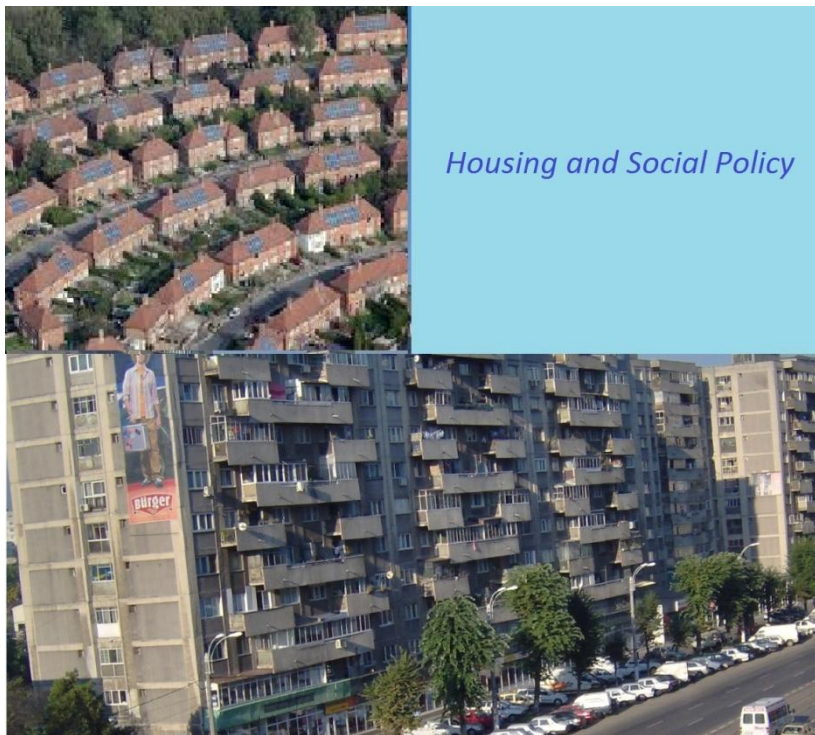

Housing and Social Policy

Photo for the Panel 3

Everyone should be able to satisfy his/her basic needs using through work outcomes. In many parts of the world, however, this is not possible and many   people are living in poverty[1], experiencing social exclusion and society has failed to provide them the basics necessities, such as shelter and food.

We are living in world that is deeply divided in socio-economic terms with increasing divisions between the 'haves' and the 'have not's. In many countries people are seeking a better life through migration and this has become particularly acute in Western EU countries This is more visible in terms of the number of people forcing borders, with unpredictable long-term consequences and drama. The more developed countries are facing new challenges: "people from underdeveloped countries are "invading" territories and are putting great pressure on the existing populations within these countries". Those people need a house to live in, a job to be able to feed their family and access to social benefits. Western countries are reluctant to deal with this as their own economies have still not recovered from the crisis and austerity that has taken place since the financial crash.

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[1] World Bank statistics "*17 percent of people in the developing world lived at or below $1.25 a day*"

The housing needs of the socially vulnerable and disadvantaged are increasing in many regions and cities, which puts great pressure on finding solutions making social policy more difficult to design and implement. Poverty and the social exclusion of the most vulnerable groups are increasing social and political challenges.

Guaranteeing affordable housing is one of the basic requirements for the development of opportunities and talent. It is the task and responsibility of social policies in municipalities, regions, and member states to guarantee good-quality, affordable housing for all.

Welfare is a form of social protection for those who cannot compete is the market place and for those who cannot access adequate employment. Welfare is often associated with needs, but it goes beyond what people need; to achieve well being, people must have choices, and the scope to choose personal goals and ambitions. If this is not available to them then support mechanisms must be in place to protect their basic needs.

In recent years, the gap between income and house prices has continued to widen across the Western EU region, making housing less affordable. At the same time, many countries have seen both a decline in the role of the state in the housing sector and a growing reliance on market forces to satisfy housing demand. Consequently, the housing needs of the poor and vulnerable are often inadequately addressed. The availability of affordable housing, however, is crucial for individuals' well-being and for ensuring a socially cohesive society. It is also an important factor in economic productivity: affordable housing is a prerequisite for labour mobility and an essential part of the creation of an environmental policy conducive to the development of enterprise and job creation.[2]

Housing policy is usually analyzed in economic terms, in the form of a market. In theory, markets lead to efficient allocation through a complex process of matching supply and demand. This depends on competition (to bring prices down); good information; the existence of multiple suppliers; and the existence of multiple purchasers. In housing, this theory has limited application. The housing market has various configurations across EU, from the most unstable to the most stable ones. A number of factors play a part in shaping the housing market such as:[3]
        - The supply of housing, and the extent to which this is constrained by planning regulations and construction capacity;
        - The way taxation favours home-ownership, stoking demand by making it so profitable;
        - The shortage of social housing and lack of credible alternative to home-ownership in the private rental sector, which adds to the pressure to buy (examined in the next chapter);
        - The mortgage market and the way credit availability pushes up prices rather than construction.

The root of many problems in Europe is a shortage of adequate housing. Good housing is in short supply. That makes it expensive. Because housing operates in a market, the people who are most likely to be left out will be those who have the least resources. People have to live where they can; so they have to live in unfit accommodation, they may have to accept overcrowding or unsuitable accommodation or they may have to live in areas not of their choice with no social networks or support[4].

As an example, the UK Analysis of tax and benefit policies, shows that between 2010 and 2014 those on lowest incomes lost out most, while the biggest net gainers were middle and high earners.

[2] UNECE – Guidelines on social housing: principles and examples, United Nation, 2006
http://www.unece.org/fileadmin/DAM/hlm/documents/Publications/guidelines.social.housing.pdf
[3] Treanor D- *Housing policies in Europe*, published by M3 Housing ltd, www.m3h.co.uk, March2015
[4] Picke, P – An introduction to Social Policy, http://www.spicker.uk/social-policy/housing.htm

The coalition described the state of UK housing as "dysfunctional" in 2010. Yet a 35% cut in government funding for house building (including a 44% reduction in social housing investment) meant the coalition "achieved no significant or unambiguous successes against its broader housing goals" . By 2015, house building rates were still low and rising rents meant the housing benefit bill rose by 9%, despite attempts to curb it. Housing *policy "losers" were low-income groups hit by housing benefit cuts such as the bedroom tax; the "winners" were wealthier households which benefited from low mortgage interest rates and £3.5bn of help-to-buy subsidies[5].*

This conference's panel expects papers, case studies that cover the issues described above. It is hoped the session will generate interesting debates and   create the framework for future cooperation in mapping housing policies across Europe.

[5] http://www.theguardian.com/society/patrick-butler-cuts-blog/2015/jan/27/health-housing-poverty-the-coalitions-social-policy-record-audited and
http://www.theguardian.com/commentisfree/2015/apr/27/guardian-view-on-britain-choice-2015-housing-policy