Housing Governance

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Introduction

Governance is a signal feature of contemporary life and the delivery of programmes and services in developed economies, but it is a dimension of housing that has received relatively little explicit attention among housing researchers and policy-makers. The concept of ‘governance’ stands in contrast to established notions of government, in that it incorporates a broader range of actors in the delivery of social and economic well-being, and generates a diffuse set of relationships and decision-making structures. Governance arrangements, in some respects, reduce the capacity of governments or the state to directly determine outcomes. On the other hand, they open up the potential for a wider range of outcomes that may be more effective in their reach because of the engagement of diverse stakeholders. This article begins by considering the definition of governance before moving on to examine its evolution and expression in developed economies over recent decades. It notes that governance arrangements may differ between nations and systems of government, and considers the ways in which governance has been applied in a number of settings, including urban regeneration projects and the provision of social housing. The article then examines a number of examples of governance arrangements in the housing sphere, before concluding with a discussion of the implications for the future.

Understanding Governance

Over the past two decades, one of the most important shifts in the philosophy of public assistance evident in developed nations has been a shift away from hierarchical forms of government to more porous forms of governance. This transformation has reshaped lifetime experiences of housing in many locations and under a range of policy regimes. The concept of governance lies at the heart of much contemporary theory concerned with the role of the state and the implementation of major housing, urban, and regional programmes. Governance is a challenging concept because while it has been the subject of a great deal of scholarship and research, there is ongoing debate about its definition and even the broad scope of phenomena encompassed by this term. However, while the detail may be open to dispute, research and writing on governance recognises a number of common elements that are taken to be typical of governance arrangements, and these include the shift away from a reliance on the formal structures of government to the incorporation of a wider range of interests in public decision-making and the achievement of public-sector programme objectives. Frequently governance is associated with the rise of partnership arrangements for the delivery of programmes and a reduced ability for governments to directly determine outcomes. Governance, then, is more broadly constituted than conventional public-sector administration and commonly involves a range of government and nongovernment entities working to achieve a mutually agreed set of goals or outcomes.

The rise of governance can be linked to wider shifts in the relationship between the public sector and society. A number of authors have argued that governance structures emerged as part of the broader response to stalling economic conditions in many developed economies in the late 1970s and early 1980s. The reform of national economic management away from Keynesian economics to monetarist approaches resulted in a retreat from direct government intervention in the economy and society, lower rates of personal and business taxation, deregulation of labour and financial markets, and, in some nations, the privatisation of industries and enterprises previously owned by governments. Importantly, public-sector fiscal

Glossary

Governance A set of arrangements for the achievement of public sector objectives that explicitly include a range of nongovernment actors.

Governmentality The set of institutions, cultural devices, and mores established and maintained by society to encourage individuals to adhere to social norms.

Residualisation The outcome of increasing the proportion of disadvantaged persons in a system of welfare provision.
restraint has resulted in an emphasis on using state funding to ‘leverage’ private investment and expertise. In return, nongovernment and private sector partners have become integrated into the decision-making and implementation activities of the state. Governance has served both fiscal and ideological objectives: private sector participation in some types of initiatives has reduced direct costs to governments, while in other arenas it has allowed governments to claim efficiencies as a consequence of the involvement of private sector or contracted entities in the delivery of programmes.

Governance takes different forms in different nations. Much of the literature on governance has its origins in nations with unitary systems of government, that is, countries such as New Zealand, the United Kingdom, or France where the national government serves as the focus of state power and may be the sole tier of constitutionally based government authority. Under these circumstances, governance arrangements may be relatively unambiguous as the national government retains a determinant influence and in large measure can shape how and when power is shared, and to what effect. Governance arrangements are commonly more complex in nations with federal systems of government, such as the United States, Canada, Germany, and Australia. Within federal systems, governance is marked by both horizontal links between agents and institutions and vertically defined interactions that may be hierarchical, competitive, or co-operative. Under these circumstances, governance can lead to complex forms of interaction with both positive and negative relationships characterising governance arrangements. Importantly, within both unitary and federal systems of government policy, approaches and initiatives that are ostensibly decentralised often reveal very little true sharing of power and resources. That is, governments continue to exert a dominant controlling influence, even if they are no longer directly involved in the provision of services or supports. Their role as the financier and regulator of service provision maintains their central position in determining the distribution of welfare.

Urban regeneration projects – which may or may not include specific housing objectives – are an example of the types of partnership arrangements that typify governance in the contemporary era (see articles Housing Policy and Regeneration and Housing and Neighbourhood Quality: Urban Regeneration). Commonly urban regeneration projects will take place within a governance framework where responsibility and risk is shared across a number of actors. The private sector, for example, may be responsible for the development and marketing of housing and commercial real estate, while one or more tiers of governments furnish land or other facilities in exchange for a commercial return. Local governments may provide additional services in the expectation of achieving social objectives and raising tax revenues, while the not-for-profit sector may be engaged by the project partners to co-ordinate and manage the supply of affordable housing.

The ‘roll-out’ of governance structures has not been limited to urban regeneration or equivalent programmes. Governments in many nations, including Australia and the United Kingdom, have sought to expand nonstate forms of assisted housing provision and involve private and other nongovernment sources of finance and expertise in the development of subsidised rental housing. For example, the introduction of Housing Benefit in the United Kingdom marked a substantial shift away from the direct subsidy of housing supply to subsidising the consumption of rental housing, with the payment of benefit decoupled from the provision of housing by specific forms of landlords (see article Access and Affordability: Housing Allowances). Housing Benefit became payable to tenants of nonstate landlords, especially housing associations, and also private landlords. Housing associations in the United Kingdom, moreover, increasingly made use of private sector finance for capital development projects, while the availability of private finance was underpinned by a system of public sector subsidies, which was relatively generous and guaranteed the repayment of such loans. In the 30 years post-1945 financial and other assistance with housing was likely to be provided by government agencies but in the contemporary era governance arrangements have, in large measure, replaced those arrangements and created new support arrangements. In all likelihood, that new form of assistance will come with altered terms, conditions, and management practices.

Housing Governance: The Management of Housing and Tenants

As noted previously, the boundaries of the term governance remain open to debate and discussion among both the academic community and practitioners. The term housing governance is frequently employed in two separate, but related, dimensions of housing. In the first, the term governance is often linked to the formal structures and processes of management found among social housing providers. In the second instance, researchers have used governance as a heuristic tool for examining the ways in which the behaviours of tenants or other housing consumers have been managed. Both uses of the term draw implicit and explicit links to the broader literature on the changing role of the state and
the rise of new forms of government intervention within the economy and society.

The term housing governance has been used to describe the management structures found within many systems of social housing provision and in particular to draw attention to the shift from direct state provision – council housing in the United Kingdom, public housing in New Zealand and Australia, and municipality housing in Canada – to the use of a broader set of social landlords with legal and fiscal structures that include the public, private, and nongovernment sectors (see article Policy Instruments that Support Housing Supply: Social Housing). It is worth noting that ‘governance’ structures in this sense arrived relatively late to the housing field. Policy arenas such as urban regeneration and regional development saw the widespread introduction of governance structures some decades before their implementation in the housing sphere. This reflects the intuitively tighter fit between economic development and land use policy and the private sector, and the fact that the development of housing governance was of necessity dependent upon system-wide transformation rather than piecemeal innovation. Pivotal markers of the transformation from the government of housing to housing governance in this sense include the shift in the United Kingdom in the 1980s and 1990s away from council-provided housing, to a reliance on registered social landlords with access to public subsidies. Over a similar period, public housing provision in New Zealand was reduced and corporatised, while central governments in Australia and Canada have reduced, or walked away from, their commitment to state provision of housing. Nations such as China, Singapore, the Czech Republic, and Hungary have also witnessed a comparable transition to housing governance, as the private sector has become a more important feature of their economy and as previous systems for the direct provision of housing have been wound down. In Australia, recent policy development at both the level of the Australian Federal Government and among the six State and two Territory governments has sought to encourage the development of a more broadly constituted social housing sector, akin to Britain’s housing associations.

In some respects, the term ‘governance’ is used by public policy researchers as shorthand to summarise substantial shifts in the way services and public goods are provided. In the housing sphere, this type of governance gives rise to internal governance issues as social housing providers seek to manage their affairs within an environment made more complex by the need to balance competing sectoral interests, a reliance on accountability models borrowed from the private sector, and a potentially complex funding system. The term governance, in this instance, is employed in a more conventional manner to reflect upon systems of management and representation. Several authors have noted that in many nations there are a large number of organisations operating as social housing providers, with some commanding considerable assets and revenues. Critically, some commentators have questioned the accountability of such agencies and suggested that there is a ‘governance gap’ in that their operations and use of public sector monies are not fully transparent. Work undertaken in the United Kingdom has suggested that there are at least five fundamental concerns in this vein: there is a need to question the honesty and competence of administrations across the sector; such organisations are nominally independent but may be unduly influenced by governments; agencies may develop agendas and objectives that run counter to their original purpose; formal regulatory mechanisms are unduly cumbersome; and there will be a loss of consumer and taxpayer influence over the delivery of services. In Australia, there has been a long-running debate on the governance of Indigenous housing organisations, fuelled in part by the small size and very remote locations of many of these entities. This issue has been brought into focus because some organisations have become bankrupt, while others have not been able to meet demand with respect to both the quality and quantity of accommodation provided.

A key challenge to arise out of the new model of housing governance is the need to reconcile conflicting agendas. Recent investigations have documented the tensions within social housing providers where boards of management represent a range of interests, including tenants, the private sector, management, the representatives of central governments, and independent members. In the United Kingdom, the structure of housing associations may result in the internalisation of tensions that were previously resolved at a policy or programmatic level. Issues such as rent levels, policy on eviction or redevelopment, and growth opportunities must now be decided by independent boards with greater or lesser degrees of expertise and management. There is evidence that in some instances failures of governance at the board level have contributed to the rationalisation of the social housing sector, with organisations either lacking confidence in their capacity to manage their future or recognising gaps in their administrative competence.

One of the ways housing governance has been explored by the research community draws upon the work of the French philosopher and sociologist Michel Foucault. It establishes an explicit link between his writings on ‘governmentality’ and the regulation of tenant behaviour in social housing. This body of work focuses upon the ways in which the management of social housing
is used to enforce social norms on tenants, who may under other circumstances exhibit preferences beyond socially sanctioned expectations. Housing governance in this sense has a long history with Octavia Hill, the social reformer and a leading figure in the development of the social housing sector in the United Kingdom, establishing a system focused on managing both the tenant and the rental property. A central feature of Octavia Hill’s approach to housing governance was a weekly visit to the tenant to collect rent, and a number of social landlords across the globe – but not all – maintain the tradition of housing officers visiting tenants on a more or less frequent basis. In the past, housing governance was largely focused on matters directly related to the tenancy: the management of rent arrears, the appropriate maintenance of the dwelling, the need to repair or upgrade the dwelling, and changes in circumstance, including shifts in household composition and employment status.

More recently, commentators and researchers have noted a shift in emphasis to a broader housing governance agenda, with a growing focus on the social control functions of landlords. Measures to address crime and antisocial behaviour have emerged as a major feature of housing governance employed by some social landlords. It is argued that the instruments of housing regulation – tenancy agreements, housing allocation procedures, incentive programmes, tenancy support, and access to enhanced services – are used to ensure conformity in behaviour. As a number of commentators have noted, this shift has taken place within the context of a broader rethinking of the philosophy of government and society. Current social and political discourse places a greater emphasis on personal responsibility rather than the rights of the individual to equitable outcomes. Public discourse is focused on social inclusion rather than achieving equivalent outcomes across society. Policies emphasise strengthening education and engagement with the formal labour market, the use of public–private sector partnerships to social and economic objectives, and a commitment to limiting public sector expenditures. Measures that reflect this approach include the termination or suspension of a tenancy because of the complaints of neighbours, the use of leases that are provisional – subject to some period of demonstrated good behaviour, the exclusion of some types of tenants from the more desirable housing stock, and the explicit targeting of anti-social behaviour in social housing estates.

The new paradigm of housing governance encompasses measures to censure unacceptable behaviour as well as provide incentives that reward actions seen to be beneficial to society and the housing provider. For example, the tenant incentive schemes popularised through innovation at the Irwell Valley Housing Association in the United Kingdom enhanced the day-to-day management of the housing stock by encouraging the prompt payment of rent and the upkeep of dwellings while also addressing broader social concerns, including the development of a sense of community. Such schemes have been promoted widely and adopted in various localities around the globe. In other instances, governments have chosen the ‘stick’ over the ‘carrot’, looking to implement a range of sanctions that provide social landlords with the capacity to exert greater control over the behaviour of their tenants. In part, this reflects the ‘residentialisation’ of social housing provision: the supply of social housing has not kept pace with need in many nations, and so a growing percentage of tenants are drawn from the most marginalised groups within society, including the homeless, those who were previously incarcerated, persons with a psychological disability, and persons who have lived precarious lives. Overall, the objective has been to create a framework that encourages, supports, and, to a certain degree, requires individuals to act as rational beings with respect to their tenancy while also reducing their reliance on state support.

Conclusions

Housing governance emerged in many nations in association with broader changes in the ways governments seek to assist low-income and vulnerable households with their housing. These new models of support have created new challenges for the effective delivery of housing assistance, but to date there has been relatively little attention directed to this set of issues. It is clear that the evolution of new structures of governance – public sector–private sector partnerships, nongovernment agencies for the delivery of services, and so on – has been paralleled by a new agenda of governance actions, especially the regulation of tenant behaviour. Issues of housing governance warrant more explicit attention in order to advance our knowledge of the sector and manage the housing stock more equitably and efficiently.

See also: Access and Affordability: Housing Allowances; Foucauldian Analysis; Housing and Neighbourhood Quality: Urban Regeneration; Housing and the State in Australasia; Housing and the State in China; Housing and the State in the Soviet Union and Eastern Europe; Housing and the State in Western Europe; Housing Policy and Regeneration; Policy Instruments that Support Housing Supply: Social Housing; Social Housing Landlords: Asia Pacific; Social Housing Landlords: Europe; Social Housing Landlords: North America.
Further Reading


Relevant Websites

www.ahuri.edu.au – Australian Housing and Urban Research Institute.
www.irwellvalleyha.co.uk – Irwell Valley Housing Association.
www.octaviahill.org – Octavia Hill.