Social Housing in Hour-Glass Society

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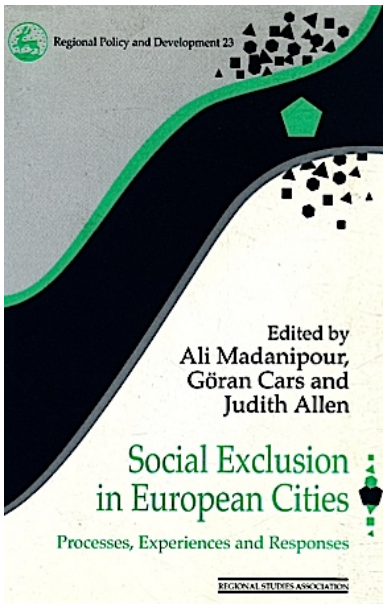

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In France as in many countries, social housing is in a state of crisis. Homeless are invading the streets, unpaid rents or mortages are rocketting. This crisis is not really of a sectorial nature. On the contrary.

The "neo-craft" character of certain guilds of this industry seemed to predispose a switch to the newly fashionable "post-fordism". Restrictions on public spending and rising interest rates have little to do with the sub- sector itself, and do not reflect, at least in France, a downturn in the social legitimacy of housing assistance : they are only specific consequences of the general economic crisis. The explosion of the property market in the late 1980s has not affected those sub-urban areas intended for social housing (except for the coveted "*de facto* social housing" zones in the city-centres). In fact, the land question was much more urgent at the end of the glorious years of Fordism, when France used to build more than 700 000 home a year. Similarly, the bursting of the speculative bubble, and the consequent depression of the building sector in the early 1990s, have no more affected the construction of really social housing.

One cannot maintain, however, that the causes of the crisis of social housing are purely and simply exogenous, a by-product of a more general crisis. The social housing crisis is not simply the reflection of a fall in households' solvency or of public credit. At stake, essentially, are the housing status of the most destitute and popular classes, *the crisis of the social body's unity*, indeed the crisis of the very role that social housing used to play in cementing the unity of the social body.

From the montgolfier society...

The development model that characterised post-war France as Western Europe, "Fordism", was founded on three pillars:

- an organisation of labour which allowed for rapid and durable productivity gains;
- a systematic redistribution of these productivity gains encompassing all social classes, and in particular all wage workers;
- a centralised and rigid organisation of this redistribution, stabilised by a network of collective agreements, social legislation and the Welfare State.

Income distribution can thus be conceived as a bulbous montgolfier, a hot-air balloon ascending harmoniously : few poor people, few rich people, a huge waged middle class, all of them enriching progressively. The income hierarchy is rigidly constrained by collective agreements. Higher classes, middle classes, popular classes, all successively reach a similar consumption pattern, which rises along trajectories similar but staggered in time. The life style of the engineer precedes that of the technician by a few years, which lights the way for the highly skilled factory worker, in turn pointing the path to the unskilled worker. We can also imagine society being carried on an escalator where social distances remain stable but where all rise. The newcomers, land drifters and immigrants, take their position on the last step.

Housing mediates this staggered access to consumer society [1]. And yet it is the most expensive durable good to which a household must accede. Housing conditions access to the more typical products of fordism: household electrical appliances, individual transport vehicles. It is thus considered as a social "stepping stone" whose structuring role (equally for general cultural integration) justifies an extensive public financing policy, direct or through privileged access to credit. This is particularly so for popular classes, and even more so for its late-comers.

These poorest had previously (i.e. since the 19th. century) been confined to "shanty housing", leased by owners more concerned with enhancing the value of a rent than that of property investment. In fact, the small and unstable income of workers could only allow them to aspire to furnished accommodation or a cabin in a courtyard. The few examples of "normal popular housing", available on a life-long basis, could only be found in regions of industrial paternalism (which in fact anticipated, at the local level, a number of fordism's precepts).

Everything changes with the advent of fordism. The programmed and anticipated rise of purchasing power of an immense wage force, and conditions of full employment (further reinforced in France after 1957 with unemployment insurance, which at first only concerned 100 000 unemployed) insured a massive demand for the production of wage workers' housing - a sector which in the sixties was to employ about 40 % of the work force and to produce more than a third of the net national product.

Coming out of their "shanty housing" - or their shanty towns in the case of immigrants -, the lower stratum of wage workers, with little to worry about on the job front, thus progressively enter heavily subsidised social housing. Everything seems to suggest that, just as they will exchange their bicycle for the motorcycle and later the car, they will accede to the semi-subsidised sector and later to the free sector. When this occurs, society will no longer have to worry about financing social housing, nor indeed the purchase of cars. This sort of assistance to household income through subsidizing building industry has the same advantages and inconveniences as does assistance to farmers through produce prices: it insures effective mass production, but at the cost of an ecologically disastrous standardisation of the product, and carries the risk of overproduction. It is not desirable therefore that it should continue.

With faith in the regularity of progress, and assured that the income montgolfier as a whole will continuously rise so as to eventually allow everyone access to "basic normal housing" on one's personnal wage, the Barre reform (1978) swings from the principle of subsidizing building toward the principle of assistance to personal renting capacity. Everyone, from the start, will be entitled to the famous "basic normal housing", and the State will help pay for it as long as necessary - which must not be eternally.

Unfortunately, just as this anticipated perfecting of fordism, the Personnal Housing Assistance (PHA) [2] law is enacted, fordism is straining. We are in the late 1970s and the montgolfier is about to transform into an hourglass.

...to the hour-glass society

The political, ideological and institutional shifts, initiated as early as 1978 in the Anglo-Saxon countries, then in southern Europe, and in France, in the name of competitiveness, the fight against inflation, and the restoration of businesses' profitability, signify the end of fordism and the gradual advent of a new model of development in the 1980s (despite an inversion in 1981-82) [3].

The flexibilisation of wage relations - with, in particular, the challenge to rigidified employee-firm links (removal of administrative authorisation for redundancy, generalisation of precarious status, especially for the young) - as well as the progressive tightening of unemployment insurance's reach, globally tend to weaken the stability of the middle and lower strata of the wage earners. Meanwhile, the resulting increase in profits (in particular the rise of financial

revenues linked to monetarist policies with high interest rates) creates a concentration of income around the "saving" strata (wealthy independent producers, employers, the upper layer of salaried workers).

Actually, there exists two types of countries :

- There are countries where unequalities in revenues, which had decreased in the seventies, are now stable (Italy) or mildly increasing (Germany, Japan, Sweden). They are the homeland of "negotiated involvement" of the work force into new technologies.

- There are countries where unequalities increase strongly in the eighties : UK and the USA (where actualy they have been increasing as soon as the seventies). In these homelands of "flexibilization", that is the result of three tendancies :

* Increase of property-revenues by comparison to labour-revenues.

* Decrease of (per household) welfare revenues.

* Increase of unequalities within wage-earners, between highly skilled workers and executives on the one hand, unskilled and precarious workers on the other hand.

In fact, unskilled or semi-skilled workers are more and more in competition with third world workers. A typical metal-worker of the U.S. Midwest would earn 24 dollars per hour in the early eighties, his/her substitute would earn half this price in Ohio at the end of the eighties, and is still in competition with a 4 dollars worker in Brazil. In the case of British (welsh or scotish) workers, they are now less expensive than Korean ones.

Contrary to USA and UK, France experienced a social-democratic management of its turn towards neo-liberal flexibility after 1983 [4]. Thus, while its pre-tax, pre-welfare distribution of revenues presents the anglo-saxon evolution to "brazilianization", the after-tax, after-welfare distribution remains basicaly the same in 1990 as in 1982 or even 1975. This is due to the full-effect of an extensive retirement system created in 1945 (and thus producing complete retirement pensions forty years after), and to the creation in 1988 of a Waranted Minimum Revenue (RMI), around 500 US dollars a month per adult. But the classical "hour-glass" distribution of revenues is obvious, precisely when considering the pre-tax, pre-welfare distribution : riches becoming richer and richer, shrinking middle-classes, increasing proportion of very poor households.

The Figure 1 expresses these tendencies.The statistical basis is taken from the taxable revenue-declarations, which are aproximatively declared by household. The top part of the figure is ordered by slices of 10 % of the declarations of growing revenues, and the length of horizontal bars represent the share of total revenue accruing to the households of the slices. Years after years the upper part grows, while the share of 30 % of lower revenue households shrinks from 10 % in 1986 to 7.05 % in 1994 [5].

The bottom of the figure is ordered by slices of 10 % of the total revenue of households, and the length of the bars represent the share of the total number of households corresponding to each slice. While the number of households sharing the 10 % highest revenues does not change significantly around 1.56 %, the huge "middle" shrinks clearly, and the lower part of french population of households sharing 10 % of total revenues increases rapidly : from 29.7 % in 1986 to 31.6 % in 1989 and 36.5 % in 1994.

The superposition of the two figures makes clear why that kind of social evolution is compared to an "hour-glass",

where grains of sand represent households, desperately falling to the bottom, and air is like money accumulating in the upper part.

This income distribution not only looks like an hour-glass, but it resembles its economic mechanism. If, under fordism, one could argue that "the rich lived off the poor's expenditure" (i.e. wage workers' expenditure accounted for the turnover of entrepreneurs), in the case of the hour-glass society, "the poor live off what trickles-down from the expenditure of the rich".

This shift in the economic regime, and in particular, this shift in the regulation of social relations, will have enormous consequences for the status of "social housing".

First of all, in the hour-glass society, the *global* advancement of incomes is no longer programmed, let alone guaranteed. Instead, the regime's dynamics lead to the thinning of the hour-glass's "neck" and the swelling of households with no access to non-assisted housing. Thus, the volume of individual aid (IHA) is no longer destined to diminish under the sway of social progress (as the initiators of the Barre reform thought would be the case), since only the upper third of the hour-glass society benefits from an income rise. Through this mechanism, the shift in wage relations is translated, macro-economically speaking, into a rise in the demand for social housing, which comes up against the fiscal crisis of the State: there lies the exogenous aspect of the current social housing crisis. But a focus on these developments is insufficient and tends to enclose the debate within a question of public budget priorities. For instance ("radical" option): "Why not allocate "peace dividends" to an increase in the IHA budget, financed by a drop in the military budget?"; or (the "rationalist" option): "Why should we allow the nation's health budget to swell indefinitely, and yet constrain its housing budget?". It is precisely here that we can find the heirs to the fordist era (administrators of the social housing sector) and those who long for its return (trade-unions, left-wing tenant associations and parties).

Unfortunately these questions, however pertinent, hardly cover the topic in its entirety. For indeed, the shift toward flexibility in the regulation of wage relations carries even more serious consequences: for the majority in the lower strata of income distribution, *individual* stability of income is no longer guaranteed. Integration into wage society is no longer an assured life-long progression. To be more precise, we have on the one hand a significant yet unpredictable fraction of households destined to see a durable, perhaps even definite, loss of all income ; and on the other hand, in the case of certain social groups, and in particular for the "newcomers" (the young and specifically the "non-white" youths), the possibility of never entering wage society becomes most probable.

In this context, "the right to normal basic housing for all" can no longer rely on a progressive extension of the individual assistance budget. It is no longer a case of "helping" a significant fraction of people pay their rent (over and above their own income). It is more likely that society will have to take care of the *totality* of their rent - on a long term basis for some, and intermittently for others.

This perspective is far from absurd, and indeed, the public "right to education" has been devised precisely in this way, and for a good many decades. But the immediate question for the sociologist, the economist or the politician becomes: from the moment where a fraction of the population no longer contributes (or only intermittently) to financing his/her housing through his/her wages, is it possible to retain as "a common basic housing norm" a type of housing which expressed, on the contrary, the general integration of the social body in wage society ? This is the key question at the heart of the current social housing crisis.

And the analogy with "state schooling" is fallacious here. For indeed, schools are a common good : the presence, in a class room, of the children of the socially excluded does not preclude the children of integrated families from receiving an education [6]. Housing, instead, is a privative good by definition, since it defines the consumption unit: a household per habitat.

Social housing policy in the hour-glass society

Faced with a profoundly altered macro-social situation, characterised by income polarisation and social exclusion, three attitudes are possible for social housing sub-sector decision-makers [7] :

1- "The situation is not shocking, and I adapt to it";

2- "The situation has become shocking, but I continue as before";

3- "The situation has become shocking, but we have to adapt to it".

The strength of the first position is that it logically articulates the sectorial doctrine to a reality which in turn derives mechanically from the neo-liberal doctrine. The general idea is as follows: on the world market, the social benefits (income and housing norms), gained by European wage workers quarter-of-a-century ago, appear as distortions in competition which cause unemployment and the housing crisis. Given the superior productivity of european capital, there must exist an income level, clearly superior to that in the Third World, yet inferior to the current mean income level, which would restore labour competitiveness in France and Europe. A recent governmental proposition seemed to estimate this equilibrium wage at 70 % of the present french minimum wage, after 2 years of college studies and untill 2 years of seniority. That is around 4 dollar per hour, which indeed is equivalent to the income of an aeronautical technician in Brazil [8]. At this wage-level, it should be possible to find accommodation, that is, if one is prepared to accept a certain return to *slum-housing:* not necessarily the slum-housing of 19th century France or of the Brazilian *favelas*, technical progress in construction allows for improvement.

This first adaptive answer must be taken into consideration for it will inevitably (unless current developments in wage relations are seriously called into question) be a necessary part of the new policy of social housing. The rehousing of Malian agents of Paris' road sweeping by the regional prefect Christian Sautter into premanufactured sheds in remoted suburbs, after their attempt to open a shanty town on the Vincennes esplanade, sheds light on a number of problems associated with this first option.

In the town-centres, there is no more room for slum-housing dependent on individual land owners : middle classes (and offices) are prepared to pay a price which supplants such a usage of central cities (in Europe). There are spaces in the rural areas, and they will become the location *par excellence* of experimentation of industrially produced sub-standard housing. But these spaces are far, and it will become increasingly so, since the "hour-glass" development model encourages megapolisation [9].

It is possible to reconstitute in the near periphery a slum-housing park ("*de facto* social housing"), under two conditions :

- if the area is already in decline and marked by a predominance of an exluded population;
- if no land agent can attempt to upgrade, in a single swipe (through renovation), the social purpose of the area.

This situation is ideally present in the case of co-ownership of social housing (as in Bosquets housing estate in Montfermeil, 15 km from Paris), and sets a vicious spiral in motion: no investor-owner can remain a renter of a property which is in a process of degradation and loses its land value, therefore he offers to sell the accommodation which he previously rented; inversely, buying "normal" degraded accommodation remains the only means of having access to standard housing for a precarious wage worker: indeed he/she can pay in one go while he/she disposes of

a revenue, and can later rely on a community solidarity. At a later stage, co-ownership paves the way to sub-letting for increasingly precarious populations, and finally to abandonment for squatters (we are then closer to the Brazilian *corticos* than to *favelas [10]*.

As we can see, the liberal path leads to the formation of *ghettos for the excluded* (ethnic or social, or both), since it its the only way to by-pass the land question. This solution, in keeping with liberal logic, is a *real* solution to the housing question, and not a problem [11]. We can reprove it on ethical grounds, but we must be aware that, as a logical solution to a situation which goes far beyond the housing issue, it constitutes a powerful "attractor", structuring nowadays much of the world's southern and eastern urbanisation, but also that of developed countries that have gone the furthest in the path of "flexibilisation": Anglo-saxon countries. The "ethical" character of refusing to allow the further development of that housing strategy considered as "shocking" constitutes at the same time the strength and the weakness of the two next strategies.

As one moves away from a situation where a compromise had been made between what one could wish for and what was economically possible, the gap between ethics and reality does indeed become shocking. The criticisms, twenty years ago, of the fordist solution to the housing question (mass production of homes), remain all the more valid since they aimed at what was to become the material basis of the actual urban ecological crisis (layered urbanisation, "rabbit hutches" effect, etc.). But it seems obvious that this solution constitutes, retrospectively, a sort of paradise lost, for the return of which the poorly-housed and the homeless are ready to fight.

Here is the social basis for standpoint number 2. Its main message is: the social situation is shocking, it would be even more shocking to give up on the ultimate conquest achieved in the 1970s, the right to normal social housing. As we have seen, this standpoint has an institutional answer, the extension of Personal Housing Assistance (PHA), an answer which relies on the reduction of the crisis to a problem of distribution. And, in all probability, it will also constitute (and "already" does, or rather "still" does) part of the real solution to the social housing crisis, so powerful are the heirs of the fordist model (including the builders) and those representing the "progress" attached to this model.

But one mustn't disguise the difficulties involved. This solution amounts to using PHA (which was conceived as a transitory supplement to normal employment income, so as to give access to normal accommodation) as a public housing service, whereby the State would finance the totality of excluded and precarious people's housing. Which leads to a number of perverse effects.

The PHA was meant to bring an employment income supplement to a "normal", close-to-minimum, couple, in order to pay for the rent of their "basic normal housing". But:

- the french legal minimum wage tends to remain "minimum" in name only : part-time working and lower wage workfare is spreading.
- wage monthly payment becomes problematic for each of the two elements of the couple;
- couple stability is itself becoming precarious.

The result is: since the employment income tends to become the most precarious share of a household's income, the backers (Public social housing offices) will tend to favour those households best endowed in PHA: large families. Thus, the "good" white couples without dependent children will be evicted, whereas the immigrants' "tribes" will be housed "at the expense of child benefits".

Another example: tenants with precarious or low income live in normal degraded accommodation. The backer, or the co-ownership union negotiates restoration (financed for instance by a public loan). This reinstatement to the norms would bring about a rent rise, therefore the eviction of inhabitants that were satisfied with slightly sub-normal housing. Thus resistance to restoration!

Other painful examples: families which go beyond the norms of density (inhabitant per square metre) are not entitled to PHA. They have the choice between hiding in order to remain together, but losing out on benefits... or receiving these, but trough separation. This is not only the case for African families living in a standard four roomed flat, but also for single or divorced mothers living in a studio with their two "normal" children.

Personalised housing assistance is running out as it tries to fill in the gap between post- (or pre !) fordist income and normal fordist housing cost. Within this context, a third solution is spreading among many housing policy managers and decision-makers, as well as activists protesting for improved living conditions. While being indignant at the "shocking" gap between dignity norms which were considered won and the return to the impossibility of guaranteeing them for everyone (which calls for reforms at another level: that of income distribution and stability), one looks for the way to renewed social housing action. Making theirs the words of the Abbé Pierre "By dint of refusing to lodge the poor at a discount norms, they end up not being housed at all", these officials and these activists are forced to reconsider the notion of "normal" housing. Which leads to distinguishing between three notions.

- The right to "normal" housing. When this fordist right alluded to "normal" housing, the norm was at the same time one of comfort, an industrial standardisation norm, and one of the structuration of domestic space in view of the participation in "consumer society" (space for furniture and household appliances, even space for the car). Since the last two elements no longer mean much for the lower section of the "hour-glass society", this "normality" is in turn obsolete.

- The right to dignified, "decent" housing. It is no doubt the aim to persue, but it has become today a fuzzy, not industrially measurable objective. It must take account of cultural, familial, micro-ethnographic elements. Converted lofts around an industrial yard can offer decent accommodations and a dignified, indeed happy, life, in certain organisational conditions of everyday life.

- The right to shelter, issue raised by the proliferation of homeless people. It is probably the only sub-objective of the mythical "right to housing" [12] which can give rise to a legal transcription through the appointing of a responsible authority (which can therefore be sued) for its effective implementation. Pursuing this third objective would call for international judicial comparisons, for instance with countries where, vagrancy being illegal, certain authorities are *ipse facto* responsible for shelter.

As for the second objective, it opens the vast theoretical and practical field of the (physical and institutional) "DIY" making of a new type of social housing park : self construction, improvement of old or degraded housing, renovation of squats and lofts, policies for "sensitive" neighbourhoods, etc.

How to create decent accommodation with a minimum of heavy work and without buying land ? How to secure the rent for people with precarious or nul revenue ? How to make them feel participating to the improvement of their conditions of living ?

In the face of this sad, modest, but noble ambition, danger will appear on two sides: lowering the definition of "decency" to an absolute minimum, or on the contrary, pulling decent housing toward "normal" housing (by imposing a parking, by putting an electrical heating system), which would only reproduce situations of exclusion. For, in a context of general degradation, demanding for the best may be tantamount to denying the good.

[1] See M. Ball *et al*, (eds), *Land Rent, Housing and Urban Planing,* Croom Helm, London, 1984.

[2] Aide Personnalisée au Logement (APL) in french.

[3] See my book *Towards a New Economic Order*, Polity Press, Oxfort, 1992 and my text "The World After Fordism", *Review of Internatinal Political Economy,* 4:1, 1997.

[4] See my book, *La Société en Sablier*, La Découverte, Paris, 1996.

[5] It was impossible to separate the three lowest tenth of the households.

[6] Which naturally they contest, when the percentage of the excluded becomes "excessive" : yet another manifestation of the social break-up.

[7] See R. Ballain & F. Benguigui : *Loger les personnes défavorisées*, La documentation française, Mai 1995, Paris.

[8] This proposition was rejected in 1993 by an insurection of the french youth.

[9] See my text. "Avoiding Megapolization : the Battle of Ile-de-France", *European Planing Studies*, vol.3 n°2, 1995.

[10] Favela (shanty-town) is a gathering of DIY personaly owned houses in illegally occupied land, *corticos* are gatheing of families in rooms of abandoned buildings.

[11] As a Brazilian bishop said: "*favela* is not a problem, it is a solution".

[12] The problematic constitutionality of this "right" was confirmed by the judgement on the occupation of the René Coty avenue by the organized migrant squaters of the association " Droit An Logement ".