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Research Paper no. 6/00

Social housing in Denmark

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Research Papers from the Department of Social Sciences, Roskilde University, Denmark.

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Abstract

The working paper is a presentation and discussion of the general institutional framework of the Danish social housing sector, illustrated by two case studies of social housing in Elsinore and Odense. First, a brief introduction to the Danish housing market is provided, and the general structure of the social housing sector is outlined, touching upon a number of key policy-initiatives. Second, the two case studies in Elsinore and Odense are presented and analysed with respect to issues of efficiency, residents' participation, social cohesion and governance. In both studies, the analysis moves from the level of housing estates and housing associations to the municipal level. Finally, the key observations are synthesised and related to a discussion of social housing reform in the 90s.

Keywords: Social housing, Danish housing market, tenants' democracy

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1. Introduction

Part 1. The Danish housing market

Composition of the Danish housing stock

In 1998, there were 2.46 million dwellings in Denmark, and about half of all dwellings were owner-occupied. 1.1 million dwellings or about 45 per cent of the housing stock consisted of rented property, and 70 per cent of all rented dwellings was multi-storey housing. In the last two decades the relative share of social housing has risen compared with private rental housing, and in 1998 the number of dwellings in the social housing sector exceeded that of privately rented dwellings. The social housing sector accounts for about 20 per cent of the total housing stock, and since 1980 the number of social housing dwellings has risen by 50 per cent.

Figure 1: Changes in type of ownership, 1980 - 1998.

| Type of ownership | 1980 | 1985 | 1990 | 1995 | 1998 |
|-----------------------|-------|-------|-------|-------|-------|
| 1,000 dwellings | | | | | |
| Private ownership: | 1,099 | 1,181 | 1,217 | 1,224 | 1,260 |
| Single family housing | 780 | 826 | 853 | 866 | 899 |
| Apartments | 65 | 95 | 85 | 102 | 112 |
| Rental property: | 880 | 935 | 993 | 1,076 | 1,105 |
| Private | 466 | 443 | 432 | 454 | 457 |
| Social housing | 304 | 356 | 395 | 445 | 466 |
| Co-operative housing | 45 | 70 | 105 | 124 | 146 |
| Public housing | 65 | 66 | 61 | 53 | 35 |
| Other | 131 | 122 | 143 | 126 | 96 |
| Total | 2,109 | 2,228 | 2,353 | 2,427 | 2,461 |

Source: Bolig- og Byministeriet 1998: Bygge- og boligpolitisk oversigt 1997-1998, p. 83.

From 1980 to 1998 the number of households increased from 2.1 million to 2.5 million, an annual growth rate in the housing stock of 3.9 per cent. In the same period, the overall population growth was 1 per cent, and the citizen-household ratio thus decreased from 2.3 in 1980 to 2.1 citizens per dwelling in 1998. The average size of housing units per citizen increased from 46 square metres in 1980 to 51 square metres in 1998 (Bolig- og Byministeriet 1998: 82).

About two thirds of the Danish population live in 1.2 million owner homes, typically single-family houses. The majority of these were built during the 60s and 70s, at the height of the housing boom in the 70s almost 70 per cent of all dwellings being built were owner homes. Because of high inflation the burden of interest payments was reduced, and tax deductions for mortgage interest payments provided a financial incentive to become a home owner and to borrow money to finance the house, with credits going up to 80 per cent of property values.

Figure 2: Type of housing and tenure.

| 1,000 households | 1980 | 1985 | 1990 | 1995 | 1998 |
|----------------------------|-------|-------|-------|-------|-------|
| Farmhouses ("stuehuse") | 165 | 161 | 156 | 150 | 140 |
| Detached one-family houses | 878 | 919 | 959 | 975 | 999 |
| Other one-family houses | 154 | 205 | 266 | 299 | 308 |
| Multi-family buildings | 891 | 899 | 922 | 948 | 959 |
| Other | 21 | 44 | 50 | 64 | 55 |
| Total | 2,109 | 2,228 | 2,353 | 2,427 | 2,461 |
| Person per household | 2.33 | 2.24 | 2.14 | 2.11 | 2.1 |
| Square metre per person | 48 | 48 | 50 | 51 | 51 |

Source: Bolig- og Byministeriet 1988: Bygge- og boligpolitisk oversigt 1997-1998, p. 82.

Housing subsidies

The level of direct and indirect housing subsidies in Denmark is high in comparison with other European countries. The subsidies take the forms of interest payment subsidies (social housing and co-operative housing) tax subsidies (private housing) individual housing allowances and subsidies for housing construction and refurbishment. In 1997, direct public expenditures in the field of housing amounted to about DKK 15 billion, or approximately 2.5 per cent of all public expenditures.

Figure 3: Direct housing subsidies, 1997.

| | DKK Mio | Percentage |
|---------------------------------|---------|------------|
| Individual housing subsidies | 8,165 | 55.1 |
| Housing benefit | 6,191 | 41.7 |
| Rent rebate | 1,975 | 13.3 |
| Subsidised housing construction | 5,304 | 35.8 |
| Interest payment subsidies | 4,342 | 29.3 |
| Lump sum subsidies | 961 | 6.5 |
| Housing renewal | 1,324 | 8.9 |
| Other subsidies | 35 | 0.2 |
| Public expenditures, total | 14,828 | 100 |

Source: Bolig- og Byministeriet 1998: Bygge- og boligpolitisk oversigt 1997-1998: 77.

Direct subsidies

More than half of all direct housing subsidies consists of individual allowances, in the form of a housing benefit scheme ("boligyldelse") and a rent rebate scheme ("boligsikring"). These allowances are financed by local authorities, which in turn are refunded to a large extent by national government. Persons eligible for social pensions are also eligible for housing benefits, a subsidy whereby the rent is reduced to 15 per cent of the pensioner's income. The rent rebate scheme is a means-tested

rent-supplement eligible for tenants in rented public or private housing. The means test is based on a calculation of household income, the size of the apartment and the level of the rent. About half of all tenants receive housing subsidies. Public expenditures for 'boligyldelse' constitute the bulk of direct individual allowances, growing from DKK 7.4 billion in 1993 to DKK 8.2 billion in 1997. In comparison, 'boligsikring' accounted for DKK 1.9 billion in 1997. Close to half a million Danish households receive a housing allowance. In the autumn of 1998 eligibility and means-test criteria of both schemes were tightened with effect from 1999, in order to cut down public expenditures. The other major direct housing subsidy is in the area of housing construction. Subsidies are granted for the construction of social and co-operative housing estates. In 1997, these subsidies amounted to DKK 5.3 billion, three thirds financed by central government and one third by local government. Also, the state finances housing rehabilitation, in 1997 DKK 1.3 billion was given to renewal of the housing stock.

Indirect subsidies

Denmark has a high level of indirect housing subsidies through tax deductions for owner-occupied housing. Expenditures deriving from mortgage payments are tax deductible, the value of these deductions have been continuously reduced since mid 80s. In 1994 the tax allowance was 50 per cent, in 1998 it was reduced to 46 per cent to be further reduced to an average of 32.4 per cent in 2001.

Maintenance and standard of housing stock

The Danish housing stock is relatively young, half of all dwellings have been built after 1950, and one third after 1970. Still, the issue of inadequate housing standards has been a major public concern, and a process of housing rehabilitation and renewal of the larger urban communities was initiated in the 80s and 90s. In 1980, 424,000 dwellings or 20 per cent of the housing stock lacked one or more basic amenities (central heating, toilet and shower facilities). In 1998 this number was reduced to 219,000 or 9 per cent of the housing stock. 97 per cent of all homes have toilets, 91 per cent have a bath and 95 per cent have central heating.

Figure 4: Development in standard of housing stock.

| 1,000 dwellings | 1980 | 1985 | 1990 | 1995 | 1998 |
|-----------------------------------|-------|-------|-------|-------|-------|
| Dwellings with basic amenities | 1,685 | 1,851 | 2,027 | 2,170 | 2,240 |
| Built before 1900 | 142 | 155 | 169 | 186 | 197 |
| 1900-1939 | 458 | 454 | 477 | 508 | 526 |
| 1940-1969 | 698 | 713 | 717 | 732 | 739 |
| Built after 1970 | 414 | 529 | 665 | 743 | 781 |
| Dwellings without basic amenities | 424 | 377 | 326 | 256 | 219 |
| Built before 1900 | 122 | 104 | 90 | 72 | 61 |
| 1900-1939 | 223 | 197 | 168 | 134 | 114 |
| 1940-1969 | 65 | 63 | 58 | 44 | 38 |
| Built after 1970 | 12 | 14 | 10 | 7 | 6 |

Source: Bolig- og Byministeriet 1998: Bygge- og boligpolitisk oversigt 1997-1998, p. 86.

Danish policies of urban renewal and housing rehabilitation have developed from a narrow focus on unhealthy housing before 1970 to sophisticated and complex urban renewal strategies in the 90s (Hansen & Skifter Andersen 1999: 95-113). Before 1970, rehabilitation policies aimed at the prevention of unhealthy housing conditions, though public authorities only to a limited degree exerted their powers to modernise unhealthy housing. After 1970, a slum clearance programme reflected a growing public interest in urban renewal, and local authorities pursued a policy of housing demolition and reconstruction. This strategy resulted in protests from residents who wanted to preserve and modernise existing properties. From mid 70s and onwards residents were to a higher degree involved in the renewal process and more emphasis was placed on refurbishing the existing housing stock. In the 80s, the Urban Renewal Act set the agenda for a renewal policy that gave both landlords and residents a veto in relation to specific parts of the publicly initiated renovation effort. In the 90s, an important change in regulation strategies emerged with the Private Urban Renewal Act. The act introduced an indirect approach to urban renewal in which landlords and residents were expected to initiate and to a large degree govern the rehabilitation process. The act applies to private rental housing, social housing and private co-operatives, and for all sectors public subsidies are available to slow down rent increases.

Private rental housing

The private rental sector is relatively old in comparison with the other Danish housing sectors, about 60 per cent of the housing stock was built before 1940. About 90 per cent of all private rental housing is subject to a system of strict rent control. In principle, rents should reflect the costs associated with the running of the housing estates. Landlords have to account for incomes and expenditures associated with running of the housing estate, and rents are fixed according to the budgeted costs plus a capital yield calculated as a percentage of the property's 1973 value (Hansen & Skifter Andersen 1999: 102). After 1991, rent levels on new private rental housing are regulated on market terms, resulting in higher prices and few waiting lists.

A consequence of the rent control system is that rent levels in the private rental sector do not reflect a supply and demand relationship, and because of relative cheap rents there is an excessive demand for private rental housing, particularly in Copenhagen and in the major cities of Århus, Aalborg and Odense. Critiques argue, that keeping rents down creates a barrier to mobility on the housing market, when persons occupying cheap flats have little incentive to move on to more expensive, private ownership. Typically, access to rented housing depends on personal connections to landlords.

Co-operative housing

Co-operative housing is an intermediate form of housing provision situated between rental- and ownership-based housing. As a result of changes made to the Rent Restriction Act in 1980, private landlords were obliged to offer the tenants to buy their flats on a co-operative basis before selling off the property (Boligministeriet 1988). Some private landlords also offered tenants to buy the housing estates on a voluntary basis, and the effect was that a considerable number of tenants collectively bought the housing estates in which they lived. The Co-operative Housing Act sets out the general rule-framework regulating co-operative housing associations. Formally, a co-operative housing society is an association that acquires a property

with the aim of allowing its members to occupy a dwelling in this property. Each member of the co-operative owns a share of the society's capital, and not a specific dwelling. Therefore, the individual member has no right to deduct interests on loans raised by the society in contrast to private owners, and the member does not have to pay the rental value of the dwelling. All shareholders are members of the association. They have the right to voice their opinions and vote on matters of concern to the association on general meetings, meetings that constitute the supreme authority of the co-operative. The general meeting elects a board of directors taking care of day-to-day management, and if the property is large a housing administrator is often appointed.

To ensure access to co-operative housing a system of price regulation has been introduced, establishing an upper limit to the price development of shares. In brief, this price ceiling is achieved by setting the prices of individual shares based on a calculation of the net capital of the association (assets minus liabilities). Each individual shareholder's part of the net capital is then calculated according to a distribution percentage agreed upon by the general meeting, most times relative to the floor area of each dwelling. When shares are sold the transfer has to be approved by the board of directors, a procedure which is a prohibitive measure to prevent unregulated increases in prices. There are around 125,000 co-operative housing units in Denmark, and the number of units built is regulated in a quota system, stipulating a maximum of approx. 750 new dwellings a year.

Part 2. Social housing in Denmark

General conditions

Access to social housing in Denmark is universal. In the larger social housing estates priority of access is granted to families with children and 25 per cent of all housing units are reserved for persons with special housing needs, a scheme administered by local government. The social housing sector is private in that the housing stock is owned by non-profit housing associations, but the sector is subject to detailed public regulation. Most of the 470,000 housing units are relatively new, as only 5 per cent were build prior to 1940.

There are approximately 700 social housing associations in Denmark, primarily located close to an urban environment. Each association is divided into individual housing sections, of which there are close to 7,000. In 1970 there were about 230,000 non-profit housing dwellings. In 1984 the number had risen to 360,000 dwellings, and in 1998 the number reached 466,000, the social housing stock in Denmark has thus doubled over the last three decades. Traditionally the distribution of new social housing units has been regulated by means of a quota system decided upon by the Danish Parliament 'Folketinget' and administered by the Ministry of Housing and Urban Affairs. In 1994 the authorisation system was however decentralised to the level of local government. Individual building societies have to apply to the municipality for financial support and the city council now decides upon the number of new social housing estates to be constructed in the municipality guaranteeing that the legal conditions imposed on social housing are met.

Historically, the role of the social housing sector has been to provide universal access to adequate housing. To realise this objective, social housing rents have been

regulated in order to make them stay within the means of persons with relative low incomes. The social housing sector is a non-profit sector based on the principle that rents and expenditures should balance, the costs of living in social housing should not exceed the direct building expenses in combination with financial and administrative costs of running the estates. Profits that may accrue are earmarked for building and maintenance purposes. Each local housing section is a financially independent unit, and no cross-subsidy or pooling of costs between housing sections is in principle possible.

The democratic and administrative structure of the social housing sector

The social housing sector has a tradition of tenants' participation and self-governance. With the Social Housing Act of 1997 further administrative and financial decision-making power has been placed in the hands of tenants. A social housing association is divided into housing sections. Tenants who live in a housing section elect a *section board* ('afdelingsbestyrelse') responsible for daily management and financial governance of the section. Tenants are entitled to exert influence on the dispositions of the section board at board meetings and once or twice a year common issues are debated at the *tenants' assembly* ('beboermødet') for all tenants in the housing section. The primary areas of decision-making include the section budget, physical renewal of the state and collective house rules ('husorden') regulating every-day behaviour in the estate. Because tenants decide upon the level of expenditures (in co-operation with the housing association) a policy of rent-stability is typically pursued with great zeal.

With effect from January 1998 the prerogatives of the section board have been reduced in return for tenants' direct participation in the decision-making processes. Before 1998 individual section boards endorsed annual budgets before the governing body of the association finally approved them. As of 1 January 1998 section budgets have to be approved by the tenants at the tenants' assembly. The section board can delegate decision-making power to ad hoc groups formed by tenants. In 1991 a 2%-rule was introduced, prohibiting housing sections to increase their running expenses with more than 2 per cent per annum thus restricting the financial space subject to democratic decision-making. The rule has been criticised by representatives of the social housing sector and it was abolished on 1 January 1999.

The social housing association ('almen boligorganisation') tends to the primary management of the association and the housing sections. Also, the housing association administers the allocation of flats and makes decisions to initiate new building projects, which however have to be sanctioned by local government. Each association is subject to the authority of a governing body, a *housing council* ('repræsentantskab') composed by a majority of tenants' representatives and the members of *the executive board of directors* ('selskabsbestyrelse') which is nominated by the council. As the governing body the housing council has to adopt the annual budgets of the housing association, and it decides upon all major administrative and financial issues of the association, i.e. whether to sell off real estate (non-housing units) or initiate major physical changes in the housing stock. The housing council can delegate specific prerogatives to the level of section boards. The executive board of directors is responsible for the implementation of policies decided upon by the housing council, and the committee appoints a housing director in charge of daily management. The chairman or deputy chairman has to be a tenant, and tenants constitute the majority in the board of directors. Prior to 1998 three types of

housing associations existed, co-operative societies, self-governing associations and joint-stock companies differing somewhat in their organisational features, but with the Social Housing Act of 1997 these differences have been harmonised in line with the outline above.

Traditionally local government has played a decisive role in the running of social housing associations together with other actors typically unions that have played a historical role in the development of social housing. Following changes introduced with the Social Housing Act of 1997 local government is no longer automatically represented in the governing body of housing associations. It is now up to the housing council to decide whether the municipality should nominate a representative to the board of directors. The primary role of local government is to supervise that social housing administrations comply with the comprehensive and detailed legislative framework regulating their activities. To perform this task the city council has to sanction a number of decisions relating to the financial and administrative operations of housing associations. The city council has to make sure that the physical condition of housing estates is acceptable, and it sanctions the level of rents in new and existing housing estates and control that the principle of a balance between costs and expenditures is maintained. For this end it carries out an annual auditing of the housing association's accounts. If the housing association decides upon a change in statutes this change has to be approved by the city council. As mentioned above, local government is in a position to decide the quota of new social housing units to be build in the municipality and the municipality has to provide a guarantee for loans relating to new housing constructions and major repairs.

Allocation of social housing

As stipulated by law the allocation of housing units in the social housing sector is regulated in a system of external and internal waiting lists. Everybody can subscribe to the external waiting list while the internal waiting list is only for tenants who already live in social housing apartments and who want to move on to what they consider a more desirable apartment. The internal waiting list has priority over the external list with the consequence that newcomers have limited access to apartments, in particular on the most attractive social housing estates. In some cases the internal list only applies to a single housing section, in others it applies to all housing units in one or several housing associations. The consequence of the allocation system is that attractive apartments are only accessible to tenants who have signed up for them, often for a considerable number of years. The waiting list system is administered by the housing associations. In co-operation with individual housing estates the associations decide on the structure of the system, i.e. the grouping of associations and estates in relation to specific lists. In the Greater Copenhagen area the social housing associations have a central allocation office, situated at Copenhagen Central Station.

Municipal allocation of social housing apartments: The 25%-rule

According to law, local authorities are entitled to dispose of every fourth vacant social housing apartment in a municipality. The rule makes sure that the municipality has accessible housing available for persons with a housing need. If a municipality makes use of the scheme it has to cover costs associated with vacating the housing units and to put up a guarantee for the tenant's deposit. Not all municipalities lay claim to this right, often a voluntary agreement between one or

more of the larger housing estates and the municipality exists in which vacancies are allocated to the social administration of the municipality on an ad hoc basis. With the Social Housing Act of 1997 a pilot scheme was introduced allowing housing associations and municipalities to experiment with housing allocation rules. The idea behind the scheme is to allow for a more flexible allocation policy taking into account local circumstances and to promote a more balanced composition of tenants (Bolig- og Byministeriet 1998, b). The scheme introduces the possibility that housing associations can abolish the waiting list system and reserve a number of apartments for specific target groups and that local government may dispose of more than 25 per cent of vacant dwellings.

Finance reform

The legislative framework regulating the financial aspect of the social housing sector has undergone a number of changes, most recently with the amendment to the Social Housing Act of 1998 introducing a finance reform of the sector. New social housing estates are financed in the following way: Local government covers 14 per cent of building expenses (before 1998 only 7 per cent), tenants pay 2 per cent and 84 per cent is covered by a loan in a private mortgage credit institute. Tenants' share of repayments amount to 4.3 per cent of annual capital expenses and the difference between this share and overall repayments is subsidised by the state. With the finance reform the tenants' users' fees have been de-coupled from the mortgage, now tenants pay 3.6 per cent per year of the initial cost. This amount is adjusted with 75 per cent of the price index (or the wage index if this is lower) and when mortgages are repaid after 35 to 40 years the level of tenants payments is frozen. Previously, a maximum ceiling on production costs existed stipulating that these should not exceed a maximum amount per square meter, in 1995 the recommended price ranged from 9,980 DKK/square metre in Copenhagen to 8,400 DKK/square metre in some rural areas in Jutland. However, with effect from 1 January 1998 this maximum ceiling was abolished.

The main purpose of the finance reform was to reduce state expenditures in connection to new housing constructions by gradually increasing self-financing in the sector in the long-term perspective (Lovforslag nr. L 46). Social housing has been financed with price regulated index bonds making the period of repayment dependant on the inflation rate. With the finance reform bonds with a fixed 30-year repayment period were introduced with the effect that tenants' user payments increase after 20 years with a proportionate reduction in public expenditures as a consequence. Another objective with the reform was to use existing resources in the social housing sector in a more flexible way making it possible to shift the main burden of subsidising disadvantaged housing sectors from the state to the sector itself.

When mortgages are paid back tenants continue to pay rents which are channelled into funds allowing for the continuous modernisation of the existing housing stock as well as the construction of new social housing units. The individual housing association has a *disposition fund* that functions as a financial buffer zone in that it allows for a certain re-allocation of money between housing sections which are in principle financially independent units. The fund collects obligatory financial contributions from housing sections and tenants payments from housing sections that have paid back their mortgages. The disposition fund subsidises housing sections with financial difficulties due to voids, major repairs etc., and it contributes towards the financing of new housing constructions.

Tenants who live in housing sections built prior to 1970 pay an annual contribution to *The National Building Fund* ('Landsbyggefonden') as a part of their rent. Tenants' contributions amount to approximately DKK 620 million per year, and the Fund re-channels the funds back to the social housing sector through 3 separate distribution mechanisms: 1) Each social housing association is entitled to 60 per cent of its contributions paid since 1980 in order to subsidise housing constructions, repairs and maintenance. 2) 27.5 per cent of annual contributions are earmarked for a *modernisation fund* that subsidises shoddy construction work and environmental programmes. Only housing sections planned prior to 1 July 1986 have access to the modernisation fund. 3) 12.5 of annual contributions are put into the *National Disposition Fund*, a fund that subsidises running expenses of less well off housing sections.

Because of The National Building Fund the social housing sector is largely financially self-sustained with respect to the subsidisation of existing housing units. However, the fund has not been able to cover all costs associated with new housing constructions since expenditures for renewal and housing repairs have risen over the last decades. With the amendment of The Social Housing Act of 1998 the fund will be allocated more resources in the future. After 1 January 2000 half of all tenants payments from existing housing sections in which mortgages have been paid back will go into the fund, and one third of payments from new housing units after tenants contributions have been frozen after 35 years of repayment. The reform also introduces a new *Housing Construction Fund* ('Nybyggerifonden') set up to collect rents from housing financed after 1 January 1999. The financial flow into the fund will gather momentum when mortgages will be repaid in 30 or 40 years time at which stage the fund is intended to finance new social housing units.

The number of housing sections that have paid back their mortgages is increasing and in the coming years the social housing sector will have access to a financial resource allowing it to pay a larger part of physical and social modernisation programmes decided upon in the sector.

Tenants' boards of appeal

In 1998 legislation in the area of tenants' rights was integrated in the Social Renting Act of 1998 ('Den almene lejelov af 1998'). A key innovation in the new act was the introduction of tenants' boards of appeal ('beboerklagenævn') which were set up to solve disputes between tenants and housing associations. The two most frequent types of dispute occur in relation to vacations and house-rule violations. When tenants vacate their apartment the housing association repairs it. If the two parties cannot agree to the level of costs associated with this repair the board inspects the apartment and issues a ruling to settle the conflict. Another frequent dispute relates to house-rule offences. If tenants continually violate local house rules the board of appeal issues the tenant a notice to quit, and the board steps in to mediate in the conflict. The complaint has to be taken to court for a tenant to be put out of an apartment, the board has no authority to do so. The tenants' board of appeal is composed by three persons; an impartial chairperson with a legal background, a representative of the landlord and a tenants' representative. In the case of house-rule violations a social counsellor, typically a social worker employed by local government, attends the board in order to give advice with respect to the kind of sanctions judged appropriate. The counsellor has no voting right.

The Urban Committee

On the Danish housing market, costs and rents are regulated in the rental, social and co-operative housing sectors. As a consequence, housing costs in these three sectors are lower than in the market regulated private sector. Because of this, demand exceeds supply in the regulated sectors and the result is a housing market with little mobility especially in the Greater Copenhagen area. The skewed rent structure on the housing market has had an impact on the social housing sector (Skifter Andersen 1999). Because of the difficulties getting access to other parts of the housing market, social housing has functioned as a last reserve satisfying persons with temporary and acute housing needs. After a period of time these persons moved out again, rendering the social composition of tenants unstable in the long term in some housing sections. In some housing sections the relative proportion of socially disadvantaged persons has gone up as a result of the municipal allocation scheme while persons with relatively more social and cultural resources have opted for other means of satisfying their housing needs like owner-occupied or co-operate housing.

In 1993 a newly elected social democratic coalition government established an Urban Committee as a response to a 'ghetto-debate' raised by a number of social democratic mayors from the Greater Copenhagen area. The mayors criticized ethnic segregation on the housing market and warned that some of the worst off housing estates were turning into 'ghettos'. A survey made at the time showed that 72 of the 275 municipalities in Denmark claimed to have one or more troubled housing areas, and most of these were social housing estates.

In 1994 the Urban Committee initiated an action programme targeted at the social housing sector to combat the negative consequences of social and ethnic segregation. The key elements in the programme were 1) a re-financing scheme of DKK 10 billion strengthening the market position of newly built social housing estates by lowering rents while financing a physical 'face-lift' and the initiation of social and cultural initiatives on the estates. 2) A lump-sum of DKK 1.6 billion covering the period 1994 to 1997 to support a social development strategy in deprived housing estates. The fund financed 8 innovative Action Models; formalised partnerships between municipalities, the social housing sector and other interested parties co-ordinating area-based social development strategies. In addition, 100 social workers were employed as community developers in various social housing estates (Vestergaard et.al. 1997). For the partnerships to apply for co-funding they had to put forward detailed intervention plans outlining a multidimensional approach to social development in the locality. The relative burden of financing the activities was gradually shifted from the state to the municipalities over the 4-year period.

In 1997 the Urban Committee launched an Urban Regeneration Programme (1997-2001) combining Danish and international experiences with area-based urban regeneration (Norvig Larsen 1999). The programme funded partnership coalitions in seven neighbourhoods in five cities. To qualify for funding the neighbourhoods had to show a record of physical and social disadvantage in combination with a history of associative activities at the neighbourhood level. The same year the social democratic/social liberal government decided to a continuation of the Urban Committee Programme until the year 2005. The new programme has a budget of DKK 300 million financed by the state (2/3) and The National Building Fund (1/3). The Association of Local Governments opted out of the Urban Committee process

stating that local governments did not wish to extend their engagement for another period (Vestergaard 1998).

Part 3: Social housing in Elsinore and Odense

In the following two case studies are presented in order to further explore aspects of Danish experiences with social housing. The first study¹ focuses on 'Helsingør Boligselskab' (HB) in the municipality of Elsinore, and the two housing estates Vapnagård and Sundparken. The second study expands upon the experiences of 'Andelsboligforeningen Højstrup' (Højstrup) in the municipality of Odense and the three housing estates Granparken, Egeparken and Hybenhaven in the Vollsmose area.

Social housing in Elsinore

In 1997 there were 26,662 dwellings in Elsinore, 46 per cent of these dwellings were owner-occupied, 23 per cent were privately rented housing while 29 per cent belonged to the social housing sector. Vapnagård constitutes 22 per cent of the total social housing stock in Elsinore (Vestergaard 1998: 18).

Elsinore housing association

Elsinore housing association (Helsingør Boligselskab, "HB") is a self-governing non-profit housing organisation administering 32 housing estates with 4,612 housing units, and it is the largest non-profit housing organisation in Elsinore municipality. Vapnagård is the largest housing estate in Elsinore, it has 1,712 housing units divided into 57 housing blocks of 3 and 4 stories and it houses almost 4,000 tenants. Sundparken is a smaller estate with 392 apartments in blocks of 3 to 5 stories in yellow brick.

Before 1997 the governing body of HB ('selskabsbestyrelsen') was composed of 2 representatives nominated by the political parties in Elsinore, 1 representative from the housing association and 7 tenants' representatives elected by the section boards. After 1 January 1997 a new structure has been introduced in which a *housing council* ('repræsentantskab') of 62 persons is the new governing authority of the association. The council nominates an executive board of directors of 11 persons who are also members of the council. The executive board of directors is composed of 2 representatives from HB, 7 tenants and 2 persons with "particular knowledge of social housing affairs" nominated by Elsinore municipality. Tenants elect all members of the housing council. Each housing section elects one representative for each 150 housing units.

In the new structure, the political level of Elsinore municipality is no longer represented. Historically, the appointed political representatives were not necessarily city councillors but nominees from political parties in Elsinore, and sometimes these nominees had little specific interests in social housing affairs. Also, the city council disapproved of the double role of councillors who were on the governing board of the housing association, and when the council debated questions relating to HB the

¹ The studies are based on personal interviews with representatives from the two housing associations, representatives of local section boards and local government officials. Also, a number of written sources supplement the presentation as is indicated in the text.

councillors were considered disqualified and did not take part in debates. Thus, when the new structure was implemented the housing council and the city council agreed to the change and the municipality instead nominates instead the two representatives with “particular knowledge” of the social housing sector. The housing council has decided to conduct meetings three times a year instead of one as prescribed by legislation.

Efficiency

Each housing section is financially independent and pays an administrative fee to HB in return for services, in 1997 the fee was DKK 1,678 per housing unit. Housing upkeep is planned with a 10-year time horizon. This allows for accumulation of resources thereby preventing major fluctuations in rent levels. The housing association administers the financial flows and has a certain freedom to optimise on capital returns. In principle, the association can increase expenditure levels by employing more personnel, and by engaging in more activities without charging higher rents if it is successful in various profit-making activities. Profits are typically derived from higher return on capital or from fees derived from building activities.

HB's core activity is to provide adequate social housing, but the association can embark upon a number of secondary activities such as external housing administration or technical service delivery. Any potential losses are to be covered by tenants and HB concentrates on primary activities. As a rule HB appreciates economic stability and avoids a risk-oriented financial strategy. In the late 70s and early 80s HB experienced a period of continuous deficits and the housing association does not wish to repeat that experience. Therefore a budget policy is pursued which enables the association to shift budgetary items from ad hoc posts to planned expenditures. Such a policy increases overall savings and creates a buffer zone against budget deficits and unforeseen costs. The orientation towards proactive planning and budgetary procedures was implemented when a legal obligation to do so was introduced around 1993.

In 1997 there was a surplus of DKK 1.15 million on the association's account which balances around DKK 18 million. The debit side is composed of administrative expenditures (in 1997: DKK 10.63 million), interest payments (1997: DKK 4.9 million) and others, while revenues consisted of administration fees (DKK: 9.3 million), yields (DKK: 6.8 million) and others (Helsingør Boligselskab, regnskab for året 1997). With the Social Housing Act of 1997 it was made mandatory to increase the financial transparency of the housing association and a number of separate accounts need to be made on specific issues such as the repair shop, the technical department etc. In 1997 all housing sections had made appropriations for future renewal and repairs corresponding to DKK 59.3 million or DKK 168 per housing square metre.

Staff-tenant ratios

At Vapnagård there is one caretaker for each 110 tenancies, at Sundparken there is a caretaker for each 130 tenancies. HB employs altogether 85 persons (administration, inspection and care taking) and houses approximately 9,500 tenants. The latter ratio has been stable in a period of 8-10 years, but the association experiences a growing workload because of an increasingly detailed regulation and more personnel will have to be hired in the future.

Rent-levels

Rent levels vary from about DKK 350 per square metre to DKK 800 per square metre in the most recent and therefore most expensive housing sections. The policy is to gradually adjust for price developments and in a dialogue with each housing section to encourage adequate savings for maintenance and repairs. Some housing sections choose to lower rents as much as possible with the effect that maintenance is inadequate, and maintenance turns into a matter of more costly renovation. On the two housing estates of Vapnagård and Sundparken rent-levels have developed as follows:

Figure 5: Rent-levels at Vapnagård and Sundparken

| Rents, DKK/ Square metre/year | 1985 | 1992 | 1998 | 1999 |
|----------------------------------|------|------|------|------|
| Vapnagård | | | | |
| Ordinary apartments | 288 | 419 | 484 | 500 |
| Attic flats | | 519 | 566 | 585 |
| Sundparken | 211 | 338 | 395 | 401 |

In general, HB judges that tenants are more or less satisfied with the connection between rent-levels and quality of housing. In some housing sections tenants opt for low rents and the quality is accordingly. In one case tenants complained that expenditure levels were too high and some tenants thought that the local authority made a profit on the estates. Therefore, HB organised an information campaign explaining ownership relations and administrative procedures. Budgets are presented and debated at the annual meetings between tenants and the housing administration, and the administration experiences that conflict levels decrease when tenants understand and accept the proposed budgets and get the feeling that there is a balance between costs and benefits.

Most of the housing sections in HB are from the 60s and 70s, and the number of unencumbered sections is rising. Because of the finance reform this liquidation of capital does not fully benefit the association and its tenants. From 1 January 2000 half of all rents goes into the local disposition fund while the other half is channelled into the parallel system at national level covering the social housing sector. From the perspective of HB it makes sense to re-allocate funds in this way between housing associations at the national level because they are different in size and ages and have unequal economic circumstances. The current political situation in Elsinore (and in Denmark) dictates that social housing associations should administer and modernise the existing housing stock and only to a limited degree engage in building activities. Therefore, the association expects that it will be possible to strike a reasonable balance between incomes and expenditures in the future financial regime.

In the beginning of 1997 there were 5,571 persons on the waiting lists and 2,345 of these were active. Out of this group of active applicants 348 were already members of the housing association waiting for another apartment while 1,997 were persons waiting to access a social housing apartment from the outside. Each person has to pay an annual lump sum of DKK 100 to be registered on the waiting lists. At present there are almost no voids in HB. But this situation is likely to change;

demographics show that the number of potential flat-dwellers will go down and HB expects more competition for customers in the future.

Vapnagård

Vapnagård is situated on the western edge of the city of Elsinore close to the Sound. The estate is composed of 57 buildings of 3-4 stories and it has a bit more than 1,700 apartments. A number of services are situated in close proximity to the estate such as public transport, the social department of the municipality, a shopping centre, a swimming hall, sports facilities, educational institutions, a bowling centre and a cinema etc. In 1998, close to 4,000 tenants lived at Vapnagård.

Vapnagård was constructed in 1969/71 and designed to form a small housing community in the larger community of Elsinore. From the outset in the 70s the estate suffered from financial problems primarily because of high rates of turnover. In the 80s problems of physical deterioration were added to the hardship of the estate, in particular problems with roofs, concrete rot, high levels of energy consumption and neglect of outdoor facilities. But because Vapnagård did not have serious rent losses due to voids it did not qualify for renewal subsidies in the early renewal schemes of the mid 80s (Vestergaard 1988, b).

To deal with the situation tenants' representatives, in co-operation with HB and Elsinore municipality, initiated a process of social and physical modernisation. The main elements of this regeneration strategy developed by the partners were 1) A comprehensive physical renovation of the estate. 2) A strengthening of the role of local government in the area especially in the areas of day care and leisure the partnership established a Service Centre "Vapnagårdsparken" providing services to youth and tenants with an ethnic background. 3) The initiation of a social cohesion strategy "Vapnagård in the 90s" based on principles of community work and voluntary involvement.

From 1992 to 1995 the estate went through a major renovation and renewal process. Four architectural firms were in charge of the renovation and they entered into a close dialogue with tenants in each housing block. Miniature models of the different blocks were used to visualise the renovation proposals, and the architectural designs had to be approved by tenants. For each block about 10 consultations were arranged, involving about 7-800 tenants all together at Vapnagård. All housing blocks were modernised and re-painted and roofs were fixed by adding an extra attic level. Initially the estate had 4-500 4- and 5-room apartments of 120/140 square metre but from the early 80s and onwards a number of these have been split into smaller units, and when the process is finished Vapnagård will have 200 of these larger apartments left.

Efficiency

The financial situation of Vapnagård has changed as a consequence of the renewal process. In each successive year after the renovation the estate has had an annual surplus of approximately DKK 1 million allowing for the initiation of a number of further modernisation initiatives. When the physical renovation was over in 1995/6 the estate was subject to a re-financing scheme that lowered rents with an average of 300 DKK/month per apartment. At the same time the decentralisation process has been cost generating because section boards have pushed up standards in each

section by introducing playgrounds and other common facilities, and it will be a few more years before the level of expenditures stabilise or decrease.

The combination of physical renewal and rent reductions has reduced the number of people vacating Vapnagård. In 1992-1994 the rate of turnover was about 16-18 per cent, in 1999 it has been reduced to 10-12 per cent. In 1992 DKK 3 million was spent on expenses related to removals, in 1997 Vapnagård sustained a loss of DKK 900,000.

Expenses for drinking water constitute a relatively large proportion of running expenditures in the estate and in 1988 an environmental action programme was introduced encouraging tenants to economise with the resources and especially with water but this far it has not been successful in reducing water consumption levels. In the future the introduction of 'green accounts' is considered an important financial governance mechanism. Because of green taxes on energy, pollution and water green accounting systems are cost saving, but in addition they also provoke a discussion of lifestyles and patterns of social interaction playing a potential role in the future stimulation of local democracy in Vapnagård.

Residents' participation

Originally, Vapnagård was one political and administrative unit with a section board covering all housing sections. In the late 70s the estate was split up into 11 financially semi-independent housing sections each with their own section board of 5 tenants, a chairman, deputy chairman, treasurer, a secretary and a fifth tenant without a title. Each section has its own caretaker, and some characterise the units as 11 independent villages. All financial decisions have to be approved by the chairman and the deputy chairman of the section board. Each section is composed of 4 to 6 housing blocks and has a budget of DKK 240,000 to 360,000. The same structure is repeated at the level of Vapnagård, which is governed by a section board ('fællesbestyrelse') composed by a chairman, a deputy chairman, a treasurer and secretary together with the 11 local section board chairmen. The members of the Vapnagård section board who are not nominated by the local section boards are directly elected at the general assembly once a year, each household has two votes.

The advantage of the decentralised structure is that section boards are quick to pick up on specific needs and preferences, and within the specified limits of the budget they have a degree of local discretion to accommodate these. As in other decentralised structures the phenomenon of 'free riding' occurs, sometimes individual housing sections disagree about the sharing of costs and seek to transfer these to other sections or to the collective accounts of Vapnagård. The renovation process in 1992-95 mobilised a substantial number of tenants who were given a chance to influence their immediate living environment. Thus, a considerable impetus was given to the democratic system, and at the peak of the process 7-800 tenants participated. Today, about 55 to 60 tenants are actively involved in the section boards, and they perform the continuous task of day-to-day management in a dialogue with their neighbours and HB.

The budget approval procedure

From 1 January 1997 tenants have had to approve budgets proposed by the housing association on annual tenants' assemblies in the individual housing sections. Prior to the assemblies budgets are negotiated between HB and the local section boards. HB

emphasise that budgets are presented by section board members to qualify the democratic process, but often tenants' representatives are reluctant to do so, and both board members and administrative staff have been trained to perform the task better. In principle, the approval procedure forces the section board to become more accountable to its constituency. Now tenants have to agree on a number of decisions with respect to how savings are spent on repairs, what social activities should be funded etc. At Vapnagård the annual budgets balance around DKK 80 million and few dare to question these numbers or propose changes. Therefore it is important how budgets are presented, and the costs of different activities and proposals are divided on individual apartments to make it easier for each household to relate to the budget. Paradoxically, when for instance the cost of publishing a tenants' newsletter equal to DKK 150,000 is split up on each apartment it appears to be an insignificant amount and few wish to discuss or criticise the issue.

Tenants find it difficult to mount the rostrum at the assembly and when the staff of the housing association or a chairman from the section board in detail argue why the budget has to look the way it does few tenants enter into a dialogue or oppose the budget. Some board members criticise that their powers have been reduced, but what often happens is that tenants use the opportunity to go up against a high-handed board chairman. In general, most tenants have been slow to realise and take advantage of the new prerogative. The consequence is that the debate on the budget lasts for 15 minutes just to move on to issues relating to "house rules." Tenants decide upon house rules in a number of areas, for instance with respect to pets. A majority of tenants can decide to forbid the possession of pets with the consequence that the minority will have to put away their cats and dogs.

Legitimacy

The democratic governance system at Vapnagård is faced with a number of challenges. In the early 70s it was not unusual that 4-500 tenants participated at meetings, today this number has been reduced considerably. It has proved difficult to recruit new board members, the average member is typically 50 years plus and the younger generations in Vapnagård do not participate. A common barrier is that existing members are reluctant to support new ideas and proposals with the result that tenants are easily discouraged from participating. Further, there is a tendency that specific controversies and personal conflicts sometimes dominate meeting agendas, in practice the borderline between the privacy of tenants and collective 'policy-making' can be hard to determine.

None of the ethnic groups take part in the democratic structure of Vapnagård. In 1995 the Turkish group turned up in large numbers at a board meeting requesting a Turkish television channel on the cable television at Vapnagård. But the board turned down the request with reference to the costs and since then no ethnic group has been actively involved in the democratic bodies of the estate.

Right of disposition ('Råderet')

In 1994 the concept of a 'disposition right' was introduced by law stipulating a set of rules within which tenants are allowed to dispose of their apartment, i.e. do maintenance and repairs etc. Previous to the introduction of this right, sometimes tenants made considerable alterations to their apartments and when they moved out HB demanded that the apartment be reversed to its original state. Typically this process was very costly and the lack of clear rules sparked off frequent conflicts.

With the disposition right, tenants are entitled to carry out some alterations without a specific permission, while other (major) physical changes to individual apartments have to be approved by the housing association. If acceptance is granted tenants are reimbursed. The regulation of the disposition right is somewhat bureaucratic, and tenants sometimes engage in do-it-yourself activities without consulting the administration. Despite the detailed regulation set a considerable element of administrative discretion still exists, and some tenants at Vapnagård find that the agreement only serves the interests of the housing association.

Social cohesion

Surveys at Vapnagård indicate that the degree of tenants' satisfaction is high, and that only with respect to feelings of safety the score is low. In order to address this issue a local police officer is stationed in the area a few hours every week in the first half of 1999, and tenants representatives consider the initiative a success. Judging by crime figures the rate of petty crime has dropped, but most importantly the police has on a number of occasions repeated the point that in fact the crime rate at Vapnagård is low compared with other parts of Elsinore.

For a number of years a part-time social worker has been employed in the area, funded by the Urban Committee. Once a week the social workers, the chairman of the area committee, the police officer and a housing inspector meet to evaluate the social life of the estate, and tenants are invited to approach the group with problems or requests.

Tenants' representatives criticise the lack of adequate institutional backup in relation to specific disadvantaged groups at Vapnagård especially mentally disabled persons. In the 80s the psychiatric sector in Denmark was restructured, a number of regional institutions housing the mentally ill were shut down and responsibility for provision of services to this group was transferred to the municipal level. It is not unusual that the municipality assigns an apartment to a mentally ill person who has considerable difficulties living alone. Often neighbours complain to the police who refer them to the housing association, which in turn contacts the municipality. The tenants representatives argue that this group of persons basically is in need of sheltered housing and the services needed to provide protection and that personal assistance of this kind are not automatically generated within the context of normal social housing estates. But the municipality appears to lack the adequate means to systematically help this group and to make sure that they do not drop out of necessary treatment, causing problems to both the mentally ill and the tenants of Vapnagård.

Sundparken

Sundparken is a 3- and 5-storey housing estate in yellow brick situated close to the Sound. The estate was built between 1960 and 62. 785 tenants live in 392 apartments. It takes 5 to 6 years on the external waiting list to access Sundparken.

Efficiency

The rent is DKK 401 per square metre per year. A caretaker and two assisting caretakers are in charge of daily maintenance. For the last 10 years Sundparken has implemented a number of physical improvements in turn improving the environmental profile of the estate. In Elsinore the water rate is DKK 40.25 per m³ and Sundparken has managed to cut down water use 30 per cent on cold water and

6.5 per cent on the warm water introducing water saving mixer taps, toilets and showers. Energy consumption is now thermostatically controlled, and a system of pre-sorting of waste has been introduced with the effect that no garbage has been transported to the waste disposal site for the last 3 years. Tenants should carry out the pre-sorting themselves, the caretakers only assist with cardboard and batteries and the system functions without problems. The green campaign has cost DKK 1.7 million financed out of rents, and no tenants have disapproved of the improvements.

Residents' participation

The section board has 5 members and the head of the board has been a chairman for 32 years. The chairman is also the entrepreneur behind most of the renovation and modernisation initiatives, in close co-operation with the caretakers and HB. Two other male members on the board have been active for 24 years, while two female newcomers have been active only for 2 years. At the annual tenants' meeting, in average one third of all tenants participate, depending very much on the meeting agenda. Experiences with the approval procedure of section's budget are positive, the section board presents the budget proposal on transparency sheets and tenants have no difficulties asking questions and debating the budget.

Sundparken has 32 families of different ethnic origin. The section board makes it clear to all Danish and ethnic newcomers that they have to live by the house-rules, and the different ethnic groups easily adapt to these rules of everyday life in Sundparken. There are no ethnic representatives on the section board but the chairman encourages tenants to make use of the board if they experience problems or have requests relating to their housing situation. Sundparken has television, telephone and Internet-access on the same cable network and in 1997 the tenants voted about the composition of TV channels on the system. The different channel preferences of the ethnic groups did not receive enough votes to be included in the channel package as they had apparently misunderstood the voting procedures, and a decision was made to include 4 channels that individual families could subscribe to, paying DKK 20 per month.

Social cohesion

Typical complaints relate to noise, and when HB receives a complaint from a tenant at Sundparken they refer it to the section board. The members discuss what to do with it and mostly they contact the tenant and sort out problems in a dialogue between the involved parties. It is not unusual that old-timers complain that new occupants make too much noise outside working-hours when they move in, and the chairman intervenes by explaining to the complainant that such noise is unavoidable. If a conflict between tenants escalates, typically living on the same staircase, all households in the staircase are invited to a meeting at HB where the conflict is discussed in the open. A report is made of the meeting, and in most cases problems are solved.

The section board at Sundparken plays a role in the social life of the community, and it steps in if suddenly tenants cannot care for themselves. When tenants approach the board with information about social problems such personal information is treated with confidentiality. If for instance a tenant begins to suffer from senile dementia, the board contacts HB which in turn informs the social administration of Elsinore municipality. It is a difficult task for the members to

assess whether to intervene or not, and it is problematic if steps are taken without a good reason. In general, most people find it difficult to take on a responsibility for the social wellbeing of neighbours who appear to have problems, and to some tenants this responsibility is a barrier to becoming a member of the board. Thus, performing the social role is a balancing act, only possible if a relationship based on trust exists between board members and tenants. The board does not engage in outreach social work addressing problems of social isolation or solitude at Sundparken. Maybe because there is a tradition of privacy, as the chairman expresses it: "We have lived on the same stairwell with another married couple since 1968, we always greet each other but we have never been in for a cup of tea."

Present and future performance of Elsinore housing association

Elsinore housing association has no explicitly formulated management philosophies or development strategies. There is an ongoing debate on local housing issues in the political and administrative structures very much inspired by national debates in the social housing sector, but the highest authority of HB - the housing council - has not articulated or formalised any specific policies or strategies. However, from interviews with administrative and political leaders of the association it is possible to induce a number of themes and perspectives that occupy HB as a housing organisation.

HB as facilitator of the local democratic processes

In HB it is felt that the democratic governance system functions to the satisfaction of all interested parties, there is a high degree of openness and financial and administrative accountability. However, the members of the housing council are still in a phase during which they have to define and develop the content and procedures of the council, and single issues and personal complaints more than discussions of policies and development strategies sometimes dominate meetings. HB finds that a primary task in the future would be to assist and stimulate the democratic processes on the housing estates by encouraging tenants to reflect upon general issues and strategies for the future development of their estates. Most of the active tenants are 50 years and above. They have been active in unions, political parties and different voluntary associations and they bring with them schooling and interests in democratic procedures and processes. In contrast, the younger generations do not automatically share this culture and they do not find the time nor the incentives to become involved and to modernise the democratic system in the long-term perspective these younger cohorts need to be involved.

The practical dimension is an important starting point for facilitating tenants' participation. Meetings have to be arranged in attractive, available facilities, people need to be invited in due time etc. The legal framework of social housing is both complex and continuously changing, and courses and training programmes are made available to tenants representatives. Also dissemination of information is important. Previously tenants were in charge of publishing a newsletter covering all estates in HB while a professional journalist is now employed as an editor assisting a tenants' news group in carrying out the task.

From HB's perspective the tenants' democracy is faced with a number of paradoxes. Guidance and training programmes have a positive effect on the quality of the decision-making processes. At the same time the increasingly complex regulation has as a consequence that tenants representatives become experts who are quick to

point out if new proposals clash with existing rule-sets thus discouraging a broader, lay-based involvement. Section boards have a limited economic decision-making space (which was made even narrower by the 2% rule now abolished) and housing administrators seek to set out explicitly the limitations democratic decision making in a continuous dialogue with tenants. The housing association recognise that not all tenants articulate their preferences and sometimes a balance has to be struck between the advantages of the democratic system of self-governance and adopting the housing environment to the needs of tenants with specific problems and a less self-reliant lifestyle.

Administrative reform

Beginning October 1999 all housing associations will have to implement a system of administrative auditing allowing for an external quality control of the efficiency of individual housing administrations. Up until now tenants have had no way of evaluating the size of administrative fees, and with the introduction of a procedure of administrative auditing HB expects more visibility with respect to the relative costs of housing administrations.

The situation of ethnic minorities is an issue

Ethnic minorities inhabit 8 per cent of all apartments at Sundparken, at Vapnagård the percentage is 12. There are few incidences of serious race-related conflicts on the housing estates but a tendency that some housing estates experience a clash of lifestyles, especially in relation to the population of gypsies who are perceived to have another approach to the living environment than the average Danish family. In some cases, section boards express the wish that the number of ethnic families in each staircase, block and housing estate should not exceed a certain threshold in order to maintain an ethnic profile in which Danes compose the majority. Obviously, the housing association cannot comply with such demands but to some extent the attempt is made to consider potential conflicts and allocate persons in order to avoid these. Socially, the ethnic minorities typically benefit from tight family-based social relations and they rarely end up in conflict situations with the administration that result in a notice to quit their apartment. The attitude in HB is that refugees and immigrants should be living on all of the estates of the association and not concentrated in one or a few of these and the association tries within existing rules to disperse ethnic residents as much as possible.

Social segregation

From the housing association's perspective the segregation problem occurs when municipal housing allocation stimulates an ongoing negative spiral in which the relatively strong and well off tenants exit the estates and less well off persons enter, in turn causing more people to move out. Therefore HB wishes to influence the local community to enter into a dialogue about measures to prevent such negative, self-perpetuating development tendencies. Also in relation to the allocation of specific individuals HB wishes to have a say, the association finds that it is a problem that the municipality decides that a person on the municipal scheme should receive a specific apartment without consulting the association. Some of the persons who are provided an apartment through the municipality have substantial personal and behavioural difficulties, and the housing association finds that their life style in some cases dominates the housing environment, typically if people are addicted to alcohol or drugs.

HB finds it frustrating to see how the social housing sector is stigmatised in the public eye, when $\frac{3}{4}$ of all estates are well-functioning living environments of high quality and low costs. Per definition the sector will always have to assist persons who have difficulties providing for themselves, and some tenants have a lifestyle that draws negative attention in the media and the general public. But housing disadvantaged groups is a basic success criteria and it should not be considered a problem or turned into a stigma, the social housing sector now provides housing for persons who 20 or 30 years ago were living under very bad housing conditions.

Changes in the allocation system

The general attitude in Elsinore housing association appears to be that the allocation system is fair in that it allows equal access to everybody irrespective of market strength. However, the system has a number of negative side effects. Tenants move gradually towards the cheapest housing estates, which are often also the most attractive estates because rent levels were determined by the economic situation in their period of construction. Because of this traffic access to attractive housing segments is barred to persons not already living in social housing, one can wait for 30 years and still be surpassed by persons on the internal waiting list. Also, tenants have to wait a very long time before they access e.g. non-detached terrace houses considered to be very attractive. Therefore, this type of housing is not available to families with children though it matches very well the needs of this family type.

Another negative consequence of the system is that it causes high turnover rates in the least attractive housing sections where tenants dwell until they qualify for the apartment of their choice. Often the least attractive apartments are the most expensive. High turnover rates result in rising expenses for repairs and refurbishment thus further enhancing a negative differentiation between price and quality. At Vapnagård it was found that new tenants moved in to get access to the internal waiting list and once they qualified for another apartment they moved out again. To reduce this traffic, tenants now have to stay for 2 years at Vapnagård before they get access to the internal waiting list in the housing association.

Policy: To 'balance' the composition of tenants

The strategy chosen by HB to overcome some of these problems is to pursue a policy of attracting tenants with more resources by experimenting with changes in the allocation system. HB has been authorised to reserve a number of vacant apartments at Vapnagård to specific target groups not on the waiting lists. These groups are commuters working in Elsinore and living outside of the municipality and persons above 50 without children. This rule applies to Vapnagård but it does not apply to Sundparken. Now couples without children have access to four-room apartments, while normally each household is entitled to an apartment with one more room than the number of persons in the household. This far the scheme has had little effect, only few apartments have been rented to people outside of the waiting lists.

Governance

For the last three decades the municipality of Elsinore has gone through a phase of economic transition in which manufacturing industries have been pushed out of the market to be replaced by service and trade industries (Vestergaard 1998: 17). Today, a considerable part of the blue-collar workers who lost their jobs live at Vapnagård, Sundparken and other social housing estates in Elsinore. The social democratic

party has been in power since 1919 but was defeated by the conservatives in the local government elections of 1994. The new conservative majority was against the decision to modernise Vapnagård by adding attic apartments arguing that the social problems of the area had to be stabilised and that building more flats would only attract more problems. However, the renewal plan had been adopted before the change of political regimes and today there is a general satisfaction with the result in the city council.

The shift in majority has meant a stop to the construction of social housing dwellings for families ('almene familieboliger') in Elsinore, and instead co-operative housing and housing for the elderly has been prioritised. In the late 80s Elsinore municipality sold out its share of communal housing units and for the last 10-12 years the municipality has employed the 25%-rule extensively in co-operation with HB. As the largest social housing association in Elsinore HB has traditionally played an important part in solving problems of housing need and social disadvantage in the municipality together with four other larger housing associations. A primary interest of Elsinore municipality is to place the burden of housing administration and problem solving in the social housing sector allowing the municipality to conduct its supervisory role and facilitate ad hoc problem solving in co-operation with the sector. Recently, the city council of Elsinore has put an end to an initiative that was intended to make the private rental housing sector in the municipality accept a "social quota" in parallel to the social sector. All private landlords in the municipality were contacted and offered a lump sum for each apartment made available to the municipal housing scheme, but no landlords accepted the offer.

A new housing allocation agreement

In 1996-7 there was a political shift in attitudes in the municipality towards including more housing associations in the municipal scheme and in 1998 a new allocation agreement was agreed upon by all housing associations in Elsinore. The municipality was dissatisfied with the previous agreement. In principle all citizens were entitled to enter the scheme if they were in need of housing and the problem was that the number of persons waiting for an apartment was very high in some periods. The implication was that some applicants managed to find alternative accommodation while a number of persons with serious housing problems suffered from the long wait.

The previous allocation agreement was voluntary. When the municipality was assigned a vacancy it nominated a person for this and the association was then free to decide whether to accept this person or not. A degree of mistrust existed among the housing associations: "Do the other associations know how to count to four?" and there was a tendency that associations were "free-riding" trying to shift the burden of accommodating persons on the municipal scheme on to the other associations. In particular HB complained that the association was too solitary in taking on a social responsibility.

In 1999 a new agreement has been set up between all social housing associations in Elsinore and Elsinore municipality. The agreement establishes a procedure by which the associations decide upon the distribution of persons on the scheme in a dialogue with the municipality. Most importantly the associations now enter a continuous dialogue about the allocation issue and they register allocations creating visibility with respect to the relative distribution of persons on the scheme. The agreement strengthens the discretionary powers of the housing associations in that they now

decide the specific allocation of persons in the scheme. When the municipal waiting list is gone the agreement is renegotiated between the parties.

Up until this shift in allocation policy the section board of Sundparken has argued that internal moves at Sundparken should not be considered as vacancies. After the agreement this practice was changed and now every 4th vacant apartment is reported as vacant.

In 1998 the city council decided to tighten the entitlement criteria for access to the 25%-scheme, according to the municipal housing office because too many persons made use of the scheme for the sake of convenience. Only persons within the following categories now qualify for access to the scheme: 1) Citizens who stay for 24 hours in the municipal asylum ('husvildebolig'). 2) Refugees who are subject to the Integration Act 3) Citizens who have been discharged from a refuge. 4) Citizens with problems of abuse who are subject to or have left treatment. 5) Families with special needs due to handicaps. As a rule the municipality does not allot an apartment to families or individuals outside these categories and persons who have a temporary housing problem without a previous history of social or physical problems are encouraged to find a place to live on their own accord. The asylum is not an attractive place to live and faced with this rule a number of persons have been able to do so. In 1998 the municipality needed 170 housing units but in the spring of 1999 the demand had dropped to 85 units.

“Lifestyle communities”

Currently the housing associations and Elsinore municipality discuss whether to develop minor housing estates of 20 to 40 housing units for "lifestyle" communities such as the elderly or ethnic minorities. HB has proposed that an estate should be built for the group of gypsies in the municipality. The suggestion has not been debated in the city council but individual councillors have reacted positively to the idea, finding that if specific ethnic or social groups express a wish to live together they should be encouraged to do so.

Accountability

Tenants who disagree with the rulings of a housing association are entitled to voice their dissatisfaction free of charge to the municipality as the supervising authority. If the municipal administration supports the ruling of the housing administration, which is often the case, it frequently occurs that tenants contact a city councillor to have him or her advocate their case vis-à-vis the municipal administration. In 1998 a tenant's board of appeal was established in Elsinore. Compared with similar boards in the private rental sector the number of complaints has proved to be small, in Elsinore the two sectors are of approximately the same size. Tenants have either not yet discovered the new boards or the degree of tenant satisfaction is higher compared with the private sector. The issues of complaint that tenants can bring to the board primarily relate to costs of vacating apartments and house rule violations.

Before 1998 when tenants were given notice to quit their apartment they were thrown out of the housing association. The municipality would have to provide them with another place to live in another association, and this category of tenants who had difficulties living with local house rules could thus circulate from one association to the next. After 1998 the situation changed. If a tenant's behaviour is unacceptable to the housing association the municipality is contacted and in the case

that the tenant is a social assistance recipient he or she has a particular social worker as a contact person in the social administration. The social worker will provide the tenant with an ultimatum: If he or she does not comply with local house rules notice is given to terminate the tenancy. The only housing alternative is the asylum and if the tenant cannot accept this there is no alternative housing available in the municipality.

Rents or taxes?

The city council has to approve of subsidises for loans in relation to new housing construction and major repairs, and when the housing association takes out a mortgage to finance e.g. maintenance or repairs the municipality needs to sanction this. As a rule the municipality hesitates to issue too many guarantees to the social housing sector and a continuous disagreement exists in relation to such loan guarantees for repairs at Vapnagård. From the point of view of the municipality it is important that the level of mortgaging does not exceed property values, as the municipality has twice sustained financial losses because mortgages were redeemed in relation to guarantees provided in the local co-operative housing sector. Often housing sections wish to prolong loans as much as possible to keep rents down pushing part of the financial burden into the future. If the period of repayment is as long as the service life of the new installation for which the loan is granted (e.g. a bathroom) another loan will eventually have to be made for the next renewal phase etc. The result is that tenants will never be in a position to make adequate appropriations for future renewals. From the municipal perspective tenant's deposits for renewal should be increased to meet the majority of the costs associated with maintaining the buildings. The fact that they have apparently been too small does not automatically entail that the local authorities should expose themselves to the financial risks of excessive mortgaging.

A parallel case of diverging interests occurred when the 224 new attic apartments at Vapnagård had been construed. New pipes caused the level of copper in the drinking water to exceed acceptable thresholds. The local media reported the situation and the city council demanded a solution to the problem. Changing all pipes would cost DKK 10 million and HB suggested a sharing of the financial burden which the municipality did not agree to. To modify the expense HB then proposed to replace copper pipes only in contact with drinking water but the city council demanded all pipes renewed. Eventually, HB financed the expenditure and was partly subsidised by The National Building Fund.

Privatisation

The issue of privatising social housing has been debated in Elsinore, especially the option of converting social housing estates into co-operative housing units. But the city council does not pursue the issue, because without ownership to social housing the municipality cannot decide to sell out property. Though individual tenants may raise the issue, Elsinore housing association does not embark upon the discussion. Representatives from HB estimate that they could sell off $\frac{3}{4}$ of the housing stock over night, but to do so would be anti-social, leaving the worst-off among the population with the least attractive remainder of the social housing sector. From the perspective of Elsinore housing association privatising the sector would enhance the urban segregation process, abolish a well-functioning housing culture and imply that the state would be inhibited in its access to the provision of adequate housing for the needy.

Social housing in Odense

In 1998 184,224 people lived in the municipality of Odense, of the 88,000 dwellings 23,000, or about 25 per cent, were social housing dwellings. 21 social housing associations operate in the municipality differing in size between 10 and approximately 6,000 housing units (Østergaard 1999a).

Højstrup

Historically 'Andelsboligforeningen Højstrup' (Højstrup) is a housing association governed by the tenants who are members of the association. The governing body of the association, the housing council ('repræsentantskab') is composed by elected tenants who appoint an executive board of directors. The housing association employs about 75 persons and administers social housing dwellings that house close to 10,000 tenants in Odense.

Vollsmose

Vollsmose is a neighbourhood situated 4 kilometres outside the city centre of Odense. 9 large housing sections totalling 3,638 apartments occupy a rectangular area framed by 4 main roads, in the middle of the territory there is a bog ('mose') hence the name Vollsmose. A shopping centre, 2 primary schools and a gymnasium, a local football club, a swimming bath, a nursery home and a local branch of the social administration are some of the main facilities situated in the area. The 9 housing sections differ in composition, three sections are composed of non-detached town houses, three sections contain 3- and 4-storey blocks while three combine non-detached town houses with 2-, 4-, 8- and 12-story housing blocks. Close to 10,000 tenants reside in the area and 40 per cent of these are of other ethnic origin than Danish. 70 per cent of the tenants are outside the labour market, and children make up one third of the total number of residents in Vollsmose.

Beginning mid and late 70s Vollsmose went into a negative spiral. Increasing number of voids led to rising costs and a relative concentration of socially disadvantaged persons allotted an apartment in the area by Odense municipality while the relatively well-off tenants to some extent vacated the area. Today Vollsmose is famous for its negative reputation. At almost regular intervals the media report incidences of crime and vandalism and especially the 3 housing sections Egeparken, Birkeparken and Bøgeparken with the high-rise blocks appear problem-ridden.

In a recent questionnaire tenants in three housing sections (including Egeparken) in Vollsmose were asked how they found every-day life at the area (Gottschalk, Engberg & Pedersen 2000). The emerging picture was one of mixed feelings. Most respondents were frustrated that Vollsmose was stigmatised as a 'ghetto' and they expressed anxiety about the relatively high rates of petty crime and vandalism, in particular occurring on the three tower blocks. The responding Danes were divided into two groups. One group expressed a negative attitude towards 'strangers' ('de fremmede') at Vollsmose, arguing that the relative composition of tenants should be changed to avoid the Danish segment become a minority. Another group found that Vollsmose was an interesting place because of the many ethnic groups and complained that too little was done to integrate 'the new Danes' ('ny-danskere') in society. Some of the ethnic respondents argued that there were too many Danes with social problems living at Vollsmose, and a few respondents accused some Danes of being racist. Most of the comments written by tenants with an ethnic

background called for better opportunities of social interaction with Danes and other ethnic groups. Though annoyed with the supposed ghetto image both Danish and ethnic respondents had a positive attitude towards Vollsmose and they emphasised the local nature with its green vegetation and bog in the centre of the area.

Vollsmose has received funding from the Urban Committee, and a *steering committee* of 21 members has been set up to formulate and implement a social development strategy for Vollsmose. The committee administers a local fund for tenants' activities and discusses various social projects and initiatives. An *action committee* composed of the heads of the 9 section boards facilitates co-operation on a daily basis between the housing sections who prior to the partnership process had little mutual contact. As a result of this partnership strategy a number of social and cultural projects have been set up including activities for children, ethnic women who are about to give birth and a club facility for ethnic youths who are also encouraged to participate in voluntary activities. Three Drop-in-Centres ('væresteder') now serve hot meals, arrange excursions etc. Also, a team of three tenants' advisors has been employed by the three housing associations operating in the area.

Granparken

Granparken is an estate composed of 3- and 4-storey blocks, it has 504 apartments and about 1300 residents. The estate was constructed in 1968 and it was the first housing section in Vollsmose.

Efficiency

One caretaker and 4 assistants are in charge of daily maintenance. In 1999 the rent was DKK 330 square metre per year (compared with DKK 303 in 1994). The administrative fee to Højstrup amounts to DKK 2,220 per housing unit per year.

Residents' participation

The section board has 7 members, 4 men and 3 women, who meet on a monthly basis. A tenants' advisor employed by Højstrup is typically invited to inform about ongoing activities and events at Vollsmose and often the board supports ideas and initiatives suggested by the advisor like setting up permanent barbecues and windbreakers in the estate. The board has delegated the task of making activities for children to a local youth club and the section board continuously assesses the social and cultural activities on the estate and supports these through the tenant-managed fund. Granparken has an after-school facility and a tenant has set up a computer-café for local children. Also, the physical state of the housing section is evaluated in co-operation with the caretaker and sometimes a housing manager from Højstrup, and with certain intervals the board members decide how to prioritise the daily upkeep.

None of the different ethnic groups living in Granparken are represented on the section board despite the fact that they constitute about half of all tenants in the estate. The board co-operates with an Arabic contact person who translates information and facilitates the dialogue between the ethnic communities and the section board. This person has run for board elections but has not been elected apparently because no ethnic residents participated in the elections.

In 1998 the section board received 76 complaints from tenants, either directly from tenants at Granparken or from Højstrup, the association passes on individual complaints to the board, the association has to respond to complaints within 14 days of receiving these. The policy of the board is to assess each complaint as quickly as possible. Most of the complaints related to problems with noise and domestic animals, of the 76 complaints all but one were settled with the section boards interference, one was passed on to the tenants' appeal board in Odense on the complainants request.

Social cohesion

Granparken does not suffer from problems of vandalism or social conflict and the board members have no problems maintaining order on the estate. When house rules are violated they are reported as complaints to the board, and as a rule conflicts are settled in a dialogue between the parties. In the few instances where drug peddling was observed the board contacted Højstrup and the community police, and if the resident continues selling drugs he is given notice to quit his apartment. The board members appreciate very much the process of co-operation between the 9 estates that has been initiated with the Urban Committee funding in Vollsmose. The chairmen and members of the different section boards now meet on a regular basis in the action committee, and the exchange of knowledge and experience is a valuable input to the activities of the local boards. Historically, the 9 individual housing sections have negative experience with cross sectional co-operation. But as a result of the process the tenant's representatives have become familiar with the other housing sections and according to the chairman of Granparken section board they have realised that they share a common objective; to improve the negative image of Vollsmose.

Egeparken

Egeparken has a block of 13 storeys, a block of 7 storeys, 4 blocks of 4 storeys and 70 non-detached town houses. The estate has 487 housing units, and in 1998 the average rent was DKK 403 per square metre per year. 1475 tenants live in Egeparken.

Efficiency

The estate has recently gone through two major phases of physical renovation. In 1994-5 half of all apartments of the 7-storey block were changed from 1- and 4-room apartments to 2- and 3-room apartments to get rid of the 1-room apartments considered by Højstrup to be of inadequate size. Also, a community house for tenants was built in the centre of the estate. The housing section financed the costs of DKK 38.5 million by obtaining a loan. Through a process of re-mortgaging the rents of the modernised apartments were lowered to the level of existing rents at Egeparken. 1 January 1999 a second phase of modernisation ended. As a result of mortgage re-financing revenues of DKK 23.5 million were generated allowing for a number of physical improvements. The outdoor environment has been improved, staircases have been painted and elevators, roofs, garages, ventilation systems have been modernised. Esthetical improvements like colouring staircases and improving the outdoor environment have been implemented in process of dialogue with the residents. In 1998 expenditures for vandalism at Egeparken amounted to DKK 500,000.

Residents' participation

5 women and 2 men compose the section board of Egeparken, and all members have been active for a number of years. The section board arranges social and cultural activities in co-operation with local voluntary associations, e.g. summer and Christmas markets, feasts and excursions, and the board supports a number of organised activities for children co-ordinating these with youth workers employed by Odense municipality. Some years ago 2 Turkish women were elected to the section board but they only participated for a short while and no further experience with integrating the ethnic communities in the participatory structure exists. The board members have discussed how to deal with this problem of legitimacy and the idea has been voiced to introduce a quota system according to which a certain percentage of the board members should represent ethnic residents. In this respect it is a problem that about 70 different ethnic groups live at Vollsmose but a suggestion is to increase the number of representatives to 9 and reserve 4 seats for the large Somali, Turk, Bosnian and Arab communities.

Social cohesion

The tenants' meeting house is open three nights a week. It has a café run by a voluntary association that arranges music events and a 'Drop-in Centre' that functions as a meeting place for persons with few social networks and tenants with psychological or addiction-related problems; every second week 2 psychological practitioners visit the centre. During school holidays activities are arranged for children, and with profits from the café the voluntary association sponsored a weeks holiday trip for local children in 1998. Also, Egeparken has recently set up a football team. All newcomers are welcomed with "chocolate and information" and introduced to the social and cultural life of the estate. It has proved easier to attract new residents to take part in the different activities than it has with "old-timers". The number of tenants who cannot take care of themselves at Egeparken is low, and only in a few instances the housing section has contacted the social authorities if people have behaved in an unacceptable way to themselves or their neighbours.

The degree of social interaction and dialogue between Danish and ethnic residents is low at Egeparken. According to the chairman of the section board the only successful multicultural event took place when Danish and Bosnian folk dancers entertained together. According to the chairman of the section board the explicit purpose of modifying the 7-storey block was to make it less attractive to ethnic families with many children by reducing the size of apartments in order to increase the relative number of Danish residents in the housing section. The objective was however not realised as the renovation had just been carried out when Bosnian refugees moved to Vollsmose and many of these settled at Egeparken.

On a number of occasions Egeparken has received negative media attention as one of the three most problem-ridden housing sections at Vollsmose. The negative interest peaked at the turn of the year 1998-99 when elderly residents were the victims of a series of forced entries committed by youngsters kicking in doors and robbing the elderly who could not defend themselves. The few culprits committing the crimes have been caught by the police and tenants of Egeparken have installed entry phones and more secure front doors as a countermeasure.

A survey showed a high degree of discontent among tenants at Egeparken with respect to social and physical aspects of the housing estate (Gottschalk, Engberg og

Pedersen 2000). In general, tenants found that too many people living at Egeparken have social problems like alcoholism or drug-addiction and they expressed their fear of moving around in the area after dark. Many respondents were frustrated that Vollsmose has been stigmatised as a ghetto in Odense and some had found the negative reputation a barrier in relation to entering the labour market.

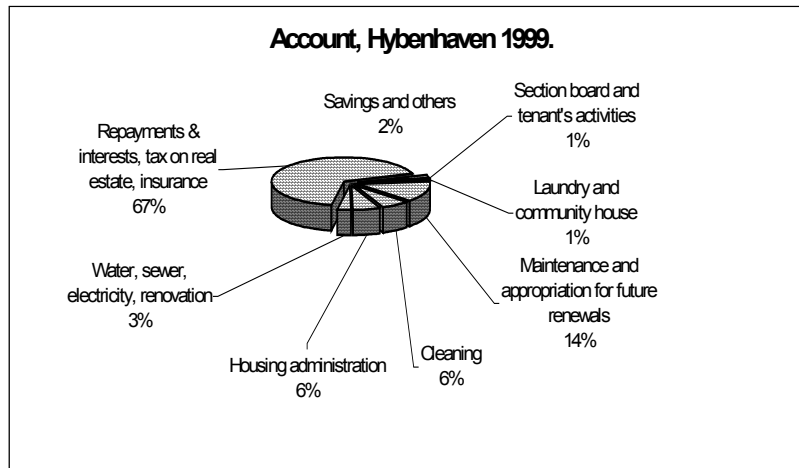
Hybenhaven

Hybenhaven is a high-density/low-rise housing estate with 245 housing units and 550 tenants. The average rent per square metre in 1999 was DKK 466 compared with DKK 433 in 1994.

Efficiency

The account in Hybenhaven balances around DKK 10.3 million, the relative size of the different items are illustrated in the following figure:

Source; Andelsboligforeningen Højstrup, "Resultatopgørelse afdeling 15, perioden 01.0198 – 31.12.98".



Tenants decide upon expenses relating to maintenance and appropriation for future renewals, consumption (water etc.) cleaning, collective goods like club facilities or laundries and social activities. They have no say with respect to the level of repayments or the administrative fee paid to Højstrup.

Residents' participation

The section board in Hybenhaven has 5 members, 3 women and 2 men. The board members work to improve the physical and social environment of Hybenhaven and they support the Urban Committee process of co-operation and social development at Vollsmose. The members of the board regularly inspect the physical environment of Hybenhaven, individual gardens have to be kept properly and tenants are kindly asked to keep their garden in order if this is not the case. To encourage gardening the household with the best looking garden is awarded a prize. The section board has delegated a number of specific tasks to ad hoc tenant's groups. Currently a group works to set up a playground deciding upon questions of design and price and the working group has invited tenants at Hybenhaven to join in painting the new playground when it will be set up.

The chairman of the board disagrees with the policy objective of changing the composition of tenants at Vollsmose; instead policies should be developed in order to improve living conditions of people residing in the area. The tenant's representatives work to facilitate tenants' activities and they wish to reformulate the role of the section board leaving behind elements of autocratic decision making and replacing these with direct participation and co-operation. In this process it is important to educate tenants to take advantage of the time and resources made available by the board, and to pursue a policy of identifying possibilities and opportunities instead of putting up restrictions to tenants' autonomy.

Social cohesion

The declared policy of the section board is to mobilise tenants in the development of the social and cultural life of the estate but in practice most initiatives are taken by a core group of active tenants. Apart from the section board there is an active voluntary association at Hybenhaven that arranges sports or other leisure activities almost every day especially in the summertime. Once every week the section board invites people for a walk in the centre of Vollsmose or at the nearby Odense Stream area. Recently the number of vacations has gone up at Hybenhaven and more tenants with an ethnic background have moved into the estate. Differences in customs and lifestyle patterns have in some cases sparked off conflicts, for instance when some tenants did not know how to make use of the waste pre-sorting system. The section board addresses frustrations when they occur. Often conflicts relate to the practical use of common facilities or to the informal rules of social interaction existing between residents, and the strategy pursued by the board is therefore to communicate these informal rules to newcomers when they arrive at Hybenhaven.

Present performance of Højstrup Andelsboligforening

Residents' participation

The decentralisation of decision-making power to the section boards and in particular to the tenants' assembly following the Social Housing Act of 1997 has involved a number of challenges to the housing association. The housing council has had to redefine its role from one of detailed involvement in the day-to-day decisions of individual housing sections to one of identifying and debating policies and principles. To encourage residents' participation the housing administration emphasises a continuous contact and dialogue with the section boards. Sometimes the boards make decisions that administrators disagree with, but a close dialogue settles conflicts and prevents that differences of opinion turn into problems in the relationship between administration and tenants.

Højstrup finds it difficult to enter into a discussion with tenants about the budget approval procedure. In general tenants have no proper knowledge of what they are dealing with and they are often more keen on discussing topics like whether dogs should be allowed or new television channels introduced. Budgets are distributed in advance of tenants' assemblies and Højstrup adds explanatory comments to all entries explaining which ones that are potentially subject to decision making. As a rule, tenants have limited influence on the running posts. They may decide whether to pay the association for snow clearing or do it themselves, or whether the housing section should employ a full-time or a part-time caretaker. But the relative proportion of such costs in the overall budget is low and a basic level of service provision is a necessary prerequisite for a well-functioning estate. Once budgets

have been approved the financial management is entirely in the hands of the housing administration; all financial dispositions of individual housing sections have to be sanctioned by the administration.

When Højstrup compares tenants' democracy on the three estates residents are more active at Hybenhaven than at Granparken and Egeparken, the rule seems to be that tenants participate less the bigger the estate. The mere size of particularly Egeparken is a barrier to community feelings and responsibility, the social networks among tenants appear to be less strong and they never fully develop the potentially positive aspects of the neighbourhood dimension. Also, Vollsmose is a multicultural community and the lack of positive experience relating to the integration of ethnic groups in the democratic structure is a problem. The percentage of tenants who vote for the extreme right is relatively high at Vollsmose compared with other neighbourhoods in Odense and tenants' meetings are sometimes marked by negative confrontations between Danes and residents with an ethnic background.

Administrative changes in Højstrup

At Højstrup an effort is made to become more service-oriented in the daily interaction with tenants. For a long period the demand for social housing has exceeded the supply, and because of this both caretakers and administrative staff has tended to become less service-minded towards tenants. Therefore, a key challenge is to make the housing administration more customer-oriented. In order to modernise the delivery of housing services the association is occupied with the possibility of differentiating between base-line products and individual services to accommodate differences in tenants' preferences allowing for a more individualised service profile.

The extension and detail of rules regulating the social sector is considerable and the housing association finds that it is important to get rid of the sectors negative image as being too tightly regulated. The concept of the "disposition right" is formulated in too narrow terms, according to law improvements must not be of a "luxurious nature" and only improvements below DKK 40,000 can be reimbursed while a new kitchen or a bathroom typically is more expensive.

Social segregation

Højstrup experiences how the socially most stable or well-off amongst the tenants migrate out of Vollsmose via the internal waiting list to find accommodation at other social housing estates in Odense, while tenants with less personal and financial resources stay on. Due to the migration vacant apartments are left available for persons in the municipal allocation scheme thus further reinforcing the tendency that the socially disadvantaged tenants become concentrated in Vollsmose. The administrative leaders in the housing administration would like to abolish the internal waiting list to get an available supply of attractive social housing apartments. The housing council – in charge of renting issues - is opposed to such a change and defends tenants' preference of access, and tenants in the council argue that abolishing the internal waiting list would not increase the number of tenants with more personal resources at Vollsmose.

Figure 6: Apartments from Granparken, Egeparken and Hybenhaven made available for the municipal housing allocation scheme.

| Højstrup | 1995 | 1996 | 1997 | 1998 | Total | per cent of apartments |
|-------------------------------|-----------|-----------|-----------|-----------|------------|------------------------|
| Granparken, 504 apartments | 23 | 17 | 19 | 27 | 86 | 9 per cent |
| Egeparken, 487 apartments | 20 | 48 | 28 | 31 | 127 | 26 per cent |
| Hybenhaven, 245 apartments | 5 | 6 | 6 | 10 | 27 | 11 per cent |
| Total 1,236 apartments | 45 | 71 | 53 | 68 | 240 | 19.50 per cent |

Source: Ostergaard 1999a.

To move on the debate and experiment with alternative allocation mechanisms Højstrup and other social housing associations in Odense have introduced a number of experimental rules sanctioned by the Ministry of Housing regarding the allocation of social housing units in Vollsmose. Inspired by similar experiments in Århus Højstrup has reserved a number of apartments for students in Granparken and Egeparken with the explicit objective to attract other categories of tenants to the area. The housing association finds that Odense municipality has avoided addressing the problems at Vollsmose. The concentration of social problems has been visible for more than a decade, but the municipality has been reluctant to develop a comprehensive response. However, with the recent introduction of a new allocation agreement and a renewed focus on co-operation and partnerships in Vollsmose this situation may potentially change in the future.

Governance

For the entire post-war period the social democratic party has ruled Odense municipality. From 80 to 90 the city council pursued a policy of setting up as many social housing dwellings as possible, and an agreement was made with the Ministry of Housing that social housing quotas not utilised by neighbouring municipalities were transferred to Odense. Primarily due to economic considerations this policy came to a halt in the early 90s, and with the decentralisation of the quota system in 94 a considerable cutback in the number of new social housing dwellings was effectuated. Today a broad consensus exists among the parties of the city council that social housing is too cost-generating in that it typically attracts people with financial problems from all over Funen to Odense. The number of new social housing units has been reduced consequently, in the period between 1998-2001 only 20 new units will be built per year. In 1998 the municipality arranged a campaign to mobilise private landlords in the effort to provide housing for persons on the municipal allocation scheme outside of the social housing sector. The campaign was unsuccessful, only one landlord in a nearby municipality agreed to make housing units available to the municipal housing allocation scheme.

A new housing allocation policy in Odense municipality

Historically, when new refugees arrived to Odense the declared settlements policy was to disperse the arrivals in various parts of the city to avoid a concentration of ethnic minorities in “social ghettos” (Odense kommune 1998). Therefore the allocation agreement included an informal “8%-rule”; new refugees arriving in Odense were not allotted a vacancy from a housing estate in which more than 8 per cent of the tenants already had an ethnic background, a rule that was later abolished

because it was unlawful. Despite this policy there has been a concentration of ethnic groups in specific housing areas throughout the 90s because of the uneven distribution of vacancies and due to the fact that tenants with an ethnic origin have chosen to live with people of their own cultural and social background.

In 1988 a voluntary agreement was made between Odense municipality and all social housing associations stipulating that every second vacant 1-room apartment and every tenth 2-, 3-, 4- and 5-room apartment were to be allocated for the municipal housing scheme. From 1991 to 1995 the annual number of allocated housing units was approximately 400. From 1996 to 1998 the number rose to 600 units, and the municipality has estimated the future demand for municipal housing allocation to be approximately 600 housing units. The increasing demand should be measured against the fact that Odense municipality has sold out of its municipally owned social housing stock. In 1990 the municipality owned 937 dwellings, and in 1998 the number was 519. In 1996 Bosnian refugees arrived in Odense, and the municipality cancelled the existing agreement from 1988 enforcing the 25%-rule in order to provide housing for the refugees.

Influenced by various events of social unrest in Vollsrose Odense city council has debated the municipal housing policy on a number of occasions and in 1998 a new allocation policy to counteract the relative concentration of socially disadvantaged persons in areas as Vollsrose was adopted. The main objective of the new policy is to establish a closer co-operation between the social administration and the three large housing associations in Odense with respect to the administration of the municipal housing scheme. Up until the agreement the logic of the system was the matching of vacant apartments with the waiting list of the municipal housing allocation scheme. Now a routine has been set up by which a case-by-case assessment of individual applicants is combined with a consideration of the social composition of tenants in the housing section where the vacancy is available. The goal is to achieve a more balanced distribution of persons on the scheme and the new agreement introduces the concept of "socially sustainable" housing sections, i.e. housing sections with a majority of socially well-functioning tenants. In the future, such relatively privileged estates will have to accept a larger share of persons allocated by the municipality while the most disadvantaged housing sections will be excluded from the scheme. The implication is that some housing estates and sections will have to accept that up to every second vacant apartment is passed on to the municipality.

As a part of the general shift in housing policy housing associations in Odense have made a number of exemptions from the existing rules by allowing people outside the waiting lists access to a social housing apartment. In some housing sections priority of access is given to students and young people, in other sections all 2-room apartments are reserved for people aged 55 and up and in some cases newcomers are allowed to bypass waiting lists. The agreement encourages the establishment of small-scale "lifestyle communities" composed of people with particular social problems who are encouraged to form a commune. In the case of mentally disabled persons, such communes facilitate professional assistance on a day-to-day basis, e.g. by including a place of residence for a social worker as a part of the community. It will be difficult to establish these communities on the existing housing stock due to low vacancy rates and the idea is to be implemented with respect to the construction of future social housing estates. The concept of lifestyle community also includes ethnic minorities, 25 per cent of the apartments in a new estate in Odense have been

reserved for ethnic minorities. The idea behind this decision is to promote a housing environment in which small groups of ethnic minorities live together with Danes in order to avoid a large-scale concentration of ethnic residents in relatively deprived neighbourhoods.

The change of allocation policy 1 January 1999 implies that the socially worst off housing estates are excluded from the municipal allocation scheme, including Granparken and Egeparken. To implement the new agreement the municipal quota of 600 housing units will have to be distributed to other areas than Vollsmose, and housing administrators anticipate some criticism from estates being included in the new deal.

The Urban Committee process in Vollsmose

Odense municipality and the three housing associations operating in Vollsmose have set up a steering committee to implement a social development strategy in the area. Being a partnership, ideally co-operation in the steering committee should be based on consensus and reciprocity but obviously the parties disagree on a number of points and the process of defining authority relationships and solving these differences of opinion has been a challenge to all involved. In some instances non-public committee members wish to play an employer's role vis-à-vis municipal project employees, in other situations it has been difficult for administrative representatives to relate to tenants as representatives of an autonomous democratic housing structure. These differences of opinion surface with respect to discussions of the social development strategy. Tenants argue that the development of recreational facilities should be prioritised while the municipality wishes to target effort towards the specific needs of socially disadvantaged tenants. Setting up the three Drop-in-Centres the social administration emphasised the latter position while tenants representatives wanted these facilities to be ordinary tenants' meeting places.

Local representatives (housing administrators, tenants, social workers) in unison criticise Odense public administration and the city council of paying too little attention to the problems of Vollsmose and the preferences articulated by local actors. Developing area-based strategies entails a co-ordination effort on behalf of the different public administrations operating in the area and such efforts are yet to be fully developed, e.g. in the area of children's living conditions at Vollsmose.

However, the three chairmen of the section boards at Egeparken, Granparken and Hybenhaven express enthusiasm with respect to the initiated Urban Committee process anchored in the steering committee. As tenants representatives they have experienced a marked change in the attitude of Odense municipality towards the committee. Initially the committee did not receive much attention from the municipality and its main function was to administer a small amount of money. This situation has changed and the feeling is now that the politico-administrative system in Odense seriously wants to commit itself in relation to the situation at Vollsmose. The 21 members have gradually developed reciprocal social relationships and during a seminar about urban development and project steering in the fall of 1998 the members decided to make a conference addressing the problems of Vollsmose. May 1999 120 persons participated in a conference including political and administrative leaders of the municipality who discussed Vollsmose with the many local actors working or living in the area.

All 120 participants were asked to write down what they considered the most important topics of discussion, and 10 working groups were made that further elaborated on the themes emerging from this process. These themes touched upon issues like “political responsibility”, “community and co-operation”, “crime and vandalism”, “planning and democracy”, “image problems”, “the composition of tenants”, “children’s living conditions”, “traffic” just to mention a few. A similar conference was organised in 1995 but at that time the outcome was negative. The participating citizens felt they were promised radical changes at Vollsmose and they became disillusioned with the slow progress of the resulting process. This time conference participants were invited to elaborate upon a development strategy for Vollsmose starting with the premise that initiatives and policies should be developed within the framework of the existing social, cultural and political resources of the residents in Vollsmose.

Part 4: Modernisation of the Danish social housing sector in the 90s

Social housing in Denmark is in principle a private mode of housing provision that is subsidised by the state and made subject to detailed public regulation. The ‘social’ dimension primarily relates to the fact that public authorities have access to a certain part of the housing stock. The demand for social housing exceeds the supply, since 1994 there has only been about 200 voids annually out of a total population of 500,000 dwellings. Despite this apparently privileged market position the social housing sector has been perceived as crisis-ridden by political actors within and particularly outside the sector itself, and it has been continuously subject to administrative, financial and political reform initiatives in the 90s.

The main reform trends centre around three strategies: 1) A service-oriented strategy intended to increase the competitiveness of the sector in relation to the private housing market. 2) A democratisation strategy to support and strengthen the system of tenant’s self-governance, the democratic dimension is a primary source of legitimacy and serves as a (cost saving) lay-input in the day-to-day management of housing estates. 3) A social cohesion strategy, the sector is a non-profit social housing sector with a responsibility to accommodate the housing needs of socially disadvantaged population groups, and the development of an institutional capacity to facilitate social cohesion in problem-ridden housing estates has been a primary objective. From a reform perspective the three objectives need to be balanced against each other in the pursuit of cost-effective management under circumstances of detailed public regulation.

Efficiency

Housing sections are financially independent units and costs associated with improvements are directly transferred to rents. Thus tenants are tempted to adopt a short-term perspective keeping rents down while housing administrators emphasise a long-term perspective, but as a rule adequate appropriations for future improvements is accepted by all parties as a key element in the continuous modernisation of the housing stock. Financial government is an important topic on the agenda of section boards and with the further decentralisation of budgetary powers to the level of tenants’ assemblies the link between the democratic mode of organisation and local choice of economic strategy has been further strengthened. In many housing sections green accounting systems have been introduced (e.g.

Sundparken) describing the local and global environmental effects of activities in the estates (Jensen 1999). Green accounting systems allow tenants to scrutinise past activities and life styles patterns in the search for potential reductions in levels of energy consumption and pollution and they potentially result in a noticeable reduction in running expenses while adding a substantial input to the democratic processes in the estates.

About 500 housing sections totalling 155,000 dwellings have received financial support from the Urban Committee in the general effort to strengthen the market position of the social housing sector, about half of these were situated in the Greater Copenhagen Area and one fourth in the largest provincial cities. All housing sections were struggling with high vacancy levels, a concentration of social problems, physical decay and stigmatisation. A key element in the programme was a re-financing scheme of DKK 10 billion. In 1997 the refinancing of mortgages had resulted in revenue of DKK 6 billion equal to an annual rent reduction of DKK 430 million for a 30-year time-span (Pedersen 1998). Housing sections subject to the re-financing scheme set up new loans in total sizing the revenue of DKK 6 billion in order to finance physical refurbishment, and the overall outcome of the process was a balance between revenues derived from mortgage re-financing and the physical modernisation of the estates. The relative distribution of rent reductions and physical improvements differ between estates and in average the outcome of rent reductions varies from DKK 48 per square metre to DKK 61 per square metre (ibid).

Equity

Amongst tenants there is a high degree of satisfaction with the allocation system. Because rents depend upon costs at the time of construction typically the most attractive apartments are also the cheapest while the least attractive are the most expensive, and tenants tend to regard the waiting list system as a fair alternative to the market since everybody can sign up for an apartment. The system allows no arbitrary eligibility criteria, tenants sign up for their prioritised apartment and they will eventually get it if they wait long enough, sometimes a lifetime. In the administration of the 25% allocation rule a tendency exists that the scheme is not always administered according to law. This happens if the internal moving chain is set in motion before the apartment is reported "vacant" to the municipality somewhere else, typically in a less attractive housing section. However, as illustrated above there is a trend to include most social housing associations in the municipal allocation schemes (e.g. as in the case of Sundparken).

For some years there has been a push for reform of the allocation system. In particular because there is little access of newcomers to the sector when no attractive apartments are available, and because the system further enhances the segregation process on the housing market. Also, it is cost generating that some housing sections in effect function as transit sections from which tenants move on to housing sections of their priority according to internal waiting lists. Both Vollsmose and Vapnagård have functioned as access gates to other social housing sections, in Vapnagård an end was put to this traffic with the introduction of the rule that newcomers had to live in the estate for 2 years before qualifying for the internal waiting list.

Both cases illustrate a shift in allocation policies towards attempts to engineer the composition of the tenant population by means of reserving a number of dwellings

for specific target groups and encouraging the establishment of “lifestyle-communities”. The explicit objective of the experimental allocation scheme in Granparken and Egeparken is to attract what is considered as more resourceful categories of tenants than the ones residing in the estates. In a number of municipalities including Elsinore the concept of “green apartments” has been introduced, apartments available to commuters if they move to the municipality hereby cutting down traffic (hence “green”).

Present performance

From a housing administrator’s perspective it is a promise of continuity that tasks and purposes are clearly defined and housing activities comprehensively regulated by law. The disadvantage is that the sector depends to a high degree upon political processes at the national and local levels and this dependency relationship is felt as a barrier to a more autonomous development direction within the sector.

Many reform-issues surface debates in the sector and different housing administrations pursue different modernisation strategies. However, the growing market-orientation is likely to result in increased visibility with respect to levels and composition of housing expenditures when housing administrations introduce procedures by which users get access to information about the price and quality of the services provided. With the introduction of administrative auditing systems differences in expenditure levels and types of service among different housing associations will be illuminated, and residents will be given an opportunity to compare for instance the relative proportion of rents allocated to administration. To the extent that such mechanisms of comparability are implemented the next step may be that tenants “shop” between different housing associations on the basis of comparison of costs, service levels etc. Such experiments with mechanisms of visibility is likely to strengthen accountability in housing administrations and allow tenants greater freedom of choice with respect to the quality and level of service in each housing section, potentially leading to competition between housing administrations.

Another key issue often touched upon is the balance between individual and collective norms and modes of organisation in provision of social housing. Residents of the 90s are more prone to demand individualised solutions to their specific needs and interests and they take for granted that they can opt out of e.g. the democratic culture of the estate if they wish to do so. To modernise the sector, debaters argue that a balance will have to be struck between maintaining the basic dimension of collectivism while allowing for increased flexibility and adaptation to more individualised lifestyle patterns, as illustrated by the debates on the “disposition right”.

In the early 80s the rule was that tenants were obliged to hand over the apartment in a state similar to the one they had received it in maybe 15 years earlier when they rented it. The implication of this rule was that some associations fully modernised vacant flats and charged former residents. Around 1985 an end was put to this practice and a debate emerged on the rights and obligations of tenants living in social housing and gradually more action space was introduced to adapt rule-sets to a more individualised lifestyle. The question is how much tenants autonomy and rule flexibility can be allowed within the institutional setting of non-profit social housing, especially with respect to capitalising on property financed by the state? Should tenants be compensated for improvements made and benefit from increase

in value of property, or allowed to capitalise on improvements made to the flat when they move on?

Social capital

A number of synergy effects are derived from the system of residents' participation in the administration and governance of housing estates. The combination of professional administrations and a decentralised participatory structure facilitates residents' mobilisation in the day-to-day physical and social development of the housing environment. Section boards function as conflict-mediators and they facilitate tenants' participation in the production of collective goods in the estate as the cornerstones of the local participatory structure.

Still, the democratic system of representation and tenant's participation in the social housing sector is faced with a number of challenges, especially one of revitalising tenants' interests in participating, and the system is faced with traditional dilemmas of balancing elite-directed and participatory democratic principles. From the perspective of the housing administration it is an advantage that the boards take on administrative tasks in co-operation with the administration, often a strong chairman or a handful of very active tenants become experts on the increasingly complex procedures and regulations run the section boards. But a risk exists that a division is created between 'bureaucratic' tenants who are experts and lay tenants with still less insight into the new and complex rules and regulations in the sector.

Jensen (1997: 507) argues that increased competition and market orientation in the sector conflicts with a continuous development of the democratic system. Because social housing associations emphasise the development of a service profile they tend to restrict themselves with respect to demands put on tenants for active participation in the democratic and administrative running of the housing estates. Jensen argues further that the increased political demand for tenant's participation as materialised in recent legislative changes tend to strengthen the position of already active political elites to the detriment of recruiting new participants.

The typical active household is a blue-collar middle-aged couple who has been active for longer periods of time (Skifter Andersen 1999b). In sections with a low degree of residents' participation a primary reason is the lack of communal facilities (ibid.) but with the Urban Committee process and the modernisation process in general more and more estates are well-equipped with tenants' meeting places. Also, the issue of size is important, with the introduction of a decentralised structure in Vapnagård residents' participation was more firmly anchored in all of the housing sections while the experiences from Vollsmose indicate the difficulties of nourishing the participation process if housing sections are too large.

Social cohesion

Because of the segregation process on the housing market relatively large proportions of residents in social housing estates are outside the labour market, in Vollsmose it was 7 out of 10 in a population of close to 10,000, and many residents stay in their housing area during daytime hours. The municipal housing scheme has further accelerated the segregation process resulting in a relative concentration of socially disadvantaged population groups in the least attractive housing sections with the largest number of voids. Typical social problems relate to alcoholism and drug-addiction and a discrepancy exists between 'ordinary' tenants who see no reason to

become socially involved “just because they live in social housing” and tenants with special difficulties and housing needs. When coping with these problems tenants pursue different strategies. As shown above, some section board members take on a policing role easing problems by making tenants move out while others emphasise the role of social mediator trying to assist people in adapting to house rules, and most times the two aspects are intertwined.

The Urban Committee Programme has to some extent slowed down the segregation process. The combination of rent reductions and a comprehensive process of physical renewal has had a positive impact on moving patterns, slowing down the vacation rate particularly amongst the well-off segments of the tenant population. Further, there is a tendency that more tenants have become involved as a result of the social development strategy, and the tenants’ advisors scheme has been successful in reducing the overall levels of social problems especially in relation to youth-related issues (Skifter Andersen 1999b).

Ethnic segregation and the ‘ghetto’-debate

About half of all refugees and immigrants in Denmark live in the social housing sector (Boligministeriet 1996) and a relatively high proportion of the ethnic minorities live in the socially most disadvantaged housing estates. Empirical analyses of social and ethnic segregation show a relative concentration of ethnic groups in the oldest parts of the social housing sector. These estates are typically situated in larger cities and in a relatively small number of small and middle-size municipalities (Skifter Andersen & Ærø 1997). From 1984-93 the share of ethnic minorities living in the most troubled housing estates tripled and it is expected to further increase in the future (Hummelgaard et al. 1997).

There is a lack of research on ethnic participation but experience indicates that the percentage of ethnic minorities in the representative institutions of the social housing sector is small and experience from Elsinore and Odense does not contradict this observation. Thus, in the social housing sector there is a growing distance between the trend towards further decentralisation of political and financial decision-making power and the lack of participation by ethnic communities. The emergence of the “ghetto” debate in the early 90s illustrated that the relative concentration of ethnic communities on social housing estates was perceived as a problem, in the language of everyday life all ethnic residents are often referred to as ‘de fremmede’; “the foreigner’s” in the sense of strangers.

Indirect discrimination occurs when for instance a number of physical and administrative changes are implemented like modifying housing blocks or substituting priority of access to families with a priority given to persons above 50 without children in order to restrict the access of residents with an ethnic background. In both Elsinore and Odense the relative concentration of ethnic groups has been perceived as a problem by actors at all levels from local authorities to housing administrators and tenants. The standard response has been to pursue a “policy of dispersion” in an effort to prevent that tenants with an ethnic background outnumber Danish residents. However, with the introduction of the notion of “lifestyle style communities” in the recent allocation agreements negotiated in both municipalities a shift of policy in relation to the “ghetto” is discernible with more emphasis on positive aspects of cultural and ethnic difference.

Governance: Dilemmas of decentralisation

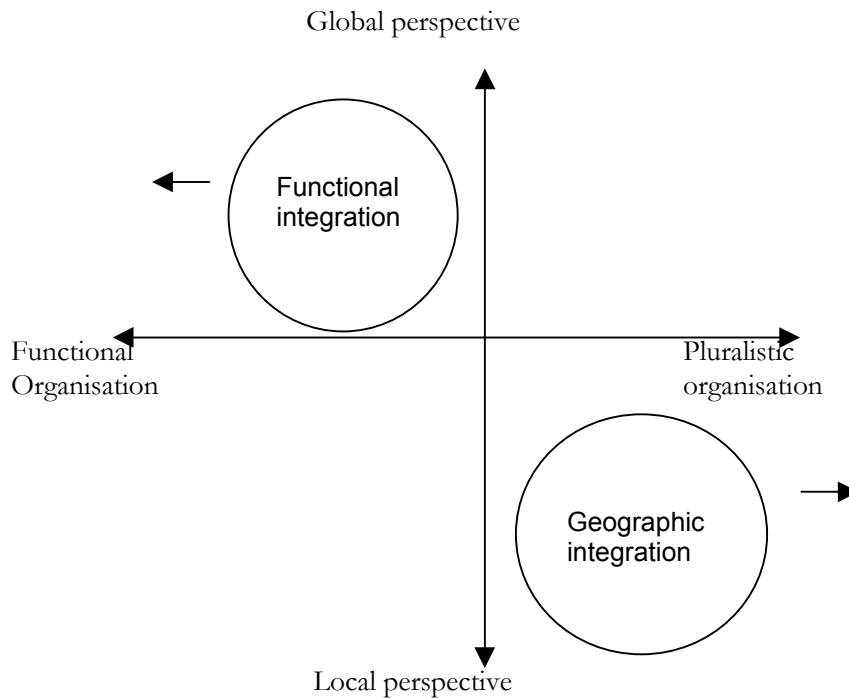
The social housing sector is subject to different and somewhat conflicting regulative principles and development trends. This can be illustrated by the concepts of 'functional' and 'geographical' principles of policy as shown in the figure below. On the horizontal axis *functional integration* refers to the co-ordination of policies and institutional practices in order to standardise public activities and implement principles of equity, equality, efficiency, material redistribution etc. From a public regulatory perspective functional integration in the social housing sector involves the provision of adequate housing, universal access, equality of treatment and cost-effectiveness as primary policy objectives implemented by law.

On the vertical axis in the figure, *geographical integration* refers to the decentralisation of policies and institutional practices in order to adapt these to the local diversity of needs and preferences. The governance perspective in both case studies show how legislative changes pushing forward political and administrative decentralisation were interpreted and adapted to the local housing context in processes of negotiation and conflict primarily between actors in the social housing sector and the local authorities. The emphasis upon local partnerships as motors of social development strategies promoted by the Urban Committee Programme, the introduction of local rule exemptions with respect to allocation procedures and the newly negotiated allocation agreements are examples of decentralisation as geographical integration.

A point is that the decentralised nature of the Danish political structure makes it legitimate to pursue a policy of geographical integration, but a number of tensions between the two organisational principles occur at all levels depending on the context. The phenomenon of "cash-box reasoning" ('kassetænkning') by which local governments push on financial burdens to other actors is an illustration: Municipalities sell out publicly owned social housing while emphasising the social responsibility of the social housing sector. The municipality of Copenhagen has recently sold approximately 45,000 rented housing apartments most of which have been turned into co-operative housing units.

The result was a positive effect on the municipal budgets when the overall number of housing units available for the 25%-scheme decreased hereby pushing the burden of social housing on to other municipalities and to the social housing sector. In many municipalities specific rules have been adopted with respect to entitlement criteria for access to social housing. In some municipalities the local rule configuration is construed with the explicit aim of excluding sections of the population (typically with low personal incomes) from access to social housing (Skifter Andersen 1999a). Hereby, the municipality avoids the burden of financing e.g. social transfers to social assistance receivers from another municipality.

Figure 7: Functional and geographic principles of policy



Source: Inspired by Jørgensen 1991: 197.

Changes in allocation policies: Geographic integration

The municipal housing allocation scheme is subject to disputes and conflicts between actors in the social housing sector and local governments, in Odense and Elsinore the 25%-rule had been employed for a number of years before a more systematic co-ordination of the scheme was set up between the parties. The new procedures to co-ordinate the allocation policy in order to engineer the tenant composition marks a move away from functional principles of policy (equality of treatment and access) towards geographic integration with emphasis on local allocation criteria. Both case studies illustrate how the rule-system of the social housing sector is adopted to local preferences the point being that this increased rule-flexibility tends to facilitate social cohesion while allowing for some degree of discrimination and inequality of access in order to impact the composition of the tenant population. In Odense the basic argument is that in the long-term perspective a housing area like Vollsmose with a disproportionate high share of socially disadvantaged tenants will become socially 'stabilised' if the municipal housing allocation is directed towards other social housing areas.

Reform changes in the Danish social housing sector balance between the private and the public features of the sector. The private aspect comes into play when the basic mode of housing provision is pushed towards that of private ownership while the public aspect surface with the argument that the housing environment should be targeted towards the social needs of specific disadvantaged groups (in the direction

of 'sheltered housing'). The two aspects sometimes conflict as when tenants' complain that community workers approach them as social clients.

From the municipal point of view, the social housing sector has been too reluctant to accept social responsibility. Instead of trying to solve social problems there has been a tendency to take on a policing role with respect to tenants who did not easily fit into the social norms and modes of behaviour. Against this view tenants and housing administrators emphasise the difference between social policy and housing policy. They argue that the current policy of developing social capital among tenants on social housing estates should not be a blind for a transfer of social responsibility from local government to housing co-operations, and the community development strategy should not be financed by rents alone. The primary task of the housing organisations should be one of identifying and giving voice to social problems, not to take on a fundamental responsibility of helping individuals to become reintegrated into society, a task which is too comprehensive to be limited to the social housing sector alone. As a housing administrator expresses it: "To expect that the most disadvantaged areas have to care for the tenants allocated from the municipality is like asking people who have fallen in the harbour to pull themselves up by the hair."

The 'ownership-gene'

An attitude sometimes expressed amongst right-winged parties is that social housing should be for the socially disadvantaged only while the average well-off citizen should stay away from the 'ghetto'. Because of the state subsidy the state should pursue a policy of housing the socially disadvantaged in the sector thus implementing a systematic policy of housing segregation. The social democratic coalition government responds by modernising the sector and it tries to shift the social burden more towards other housing sectors. Moral and political pressure has been put on private landowners but with little or no result especially with respect to housing refugees and ethnic minorities. Recently the Minister of Housing introduced the notion of the 'ownership-gene' to underline the advantages associated with home-ownership in the debate on the future of the social housing sector in Denmark (Andersen 1999). With reference to Vollsmose the argument was put forward that the extent of social problems could be reduced with the introduction of a better mix of ownership relations. In line with this type of reasoning the municipality of Ballerup is currently experimenting with the concept of 'joint-ownership housing' ('medejerboliger'), in a new housing estate 10 ordinary social housing apartments lie next to 30 joint-ownership apartments in which tenants pay a larger deposit in return for greater autonomy with respect to how they wish to decorate their flats.

Privatisation of the Danish social housing stock is currently not on the political agenda. If representatives of a housing council would decide to sell-off social housing units such a move would have to be approved by the local authority as well as the Minister of Housing. Therefore, it would most likely require a combination of a liberal political regime at the local as well as the national level for the issue to be brought forward. Debating the future of the Danish social housing sector, spokesmen and -women of the sector point out that they could probably sell out the most attractive housing units over night. But the result would be a considerable reduction in the number of tenants with enough personal resources to become involved in the social, democratic and cultural life of the social housing estates, hereby undermining the tradition of social housing in Denmark. If a choice were

made to sell off the worst off sections instead this would leave the most disadvantaged tenants with high maintenance costs and without the social and practical backup of the housing associations. And they argue, that privatisation would go against the basic rationale of the social housing sector: To provide housing for persons in need by securing public access to dispose of a certain part of the housing market.

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