EDITORIAL: HOUSING FOR THE POOR: THE ROLE OF GOVERNMENT

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The nature of housing

Most people, in most countries and for most of human history, have been able to provide housing for themselves. This suggests that housing is more amenable to individual decision-making than other so-called 'welfare' goods. The reasons are clear-cut: our housing need is permanent, in that we always need housing (King, 2003). Unlike our need for healthcare, it is not contingent on circumstance. What differs, of course, is whether our housing need is currently fulfilled. But because our need is permanent it is therefore predictable, allowing for a more regular and consistent pattern of provision. Accordingly, housing, as a commodity and an activity, is more readily understandable in that we know we need it, that we will always need it and to what standard we require it (King, 1998, 2001, 2003). This means that housing, for those with a regular income, can be safely left to personal decision-making. This is why over 80% of households in the UK rent or buy through markets.

But this leaves a minority of households who cannot provide for themselves, and now rely on provision by the state. Of course, government involvement in the direct provision of housing is a relatively recent development. As we see in the papers by Robert Whelan and Ronald Utt, it is only in the last 100 years that governments in the UK and the USA have directly supported the provision of housing. But state support for housing is now well-established and part of the normal policy apparatus of government. As the papers by Zainab Bawa and Parth Shah and by Karol Boudreaux show, this is also increasingly the case in India and Africa as well as in the developed world. The justification for state intervention is that markets fail to provide for the needs of low-income households (Oxley, 2004). Markets, it is argued, will under-provide and accordingly the poor will be left without adequate housing.

Capability and control

The papers presented here wish to counter this view. They do so by pointing to two key issues. Firstly, there is the issue of *capability*. Just what are we capable of doing for ourselves, and in what ways are we reliant on others, be it the state or some other agency? Secondly, we need to appreciate the issue of *control*, in that what matters is who has the power over resources necessary to provide good quality housing. It is an understanding of these two issues that is at the heart of housing provision for low-income households. There is a presumption that the poor are incapable; that they have no assets themselves and are not able to negotiate through the complexities of the modern urban environment. However, as Hernando de Soto (2000) has shown, the issue for the poor is often not a lack of resources but the ability to use and integrate their assets into the mainstream economy. What matters is what low-income households are allowed to do, and what prevents them from achieving their aims. This is not due to incapability – of incompetence or any lack of knowledge of what constitutes good housing – but of the access to and control over resources.

This insight points to the role that government ought to play in housing: instead of government seeking to provide housing itself it should play the role of facilitator. It can provide resources, put in place the general framework and ensure that contracts are enforceable and protected.

Lines or limits

The idea that government should facilitate and not provide itself has been discussed with great effect by the English architect and writer John Turner (1976). Turner had experience of informal housing settlements in Central and Latin America, but also worked in both the USA and the UK. He became influential in the 1970s and 1980s with his notion of self-help

housing (Mathey, 1992). His ideas have generated considerable debate in the literature about the viability of leaving communities to build themselves (see Mathey, 1992; Ward, 1982). However, what concerns me here is what I consider to be Turner's most significant contribution to the debate on the role of the state in housing provision. This is his contrast between *proscription* and *prescription*.

Turner (1976), in his discussion on the efficacy of local autonomy and vernacular processes in housing and planning, distinguishes between the notions of prescriptive law ('Thou shalt') with proscriptive law ('Thou shalt not'). He explains the distinction with the analogy of moving between any two points. If we use a railway line we must follow a prescribed route, but if we use the street system we are only limited by boundaries and agreed rules. Furthermore, railway lines can only be used by one type of vehicle, whilst streets can be used by a variety of different means – on foot, private car, public transport, horseback, cycle. Turner states:

> 'There are a very limited number of stations in the railway system, but the street user can stop anywhere without blocking the way for others – as long as his vehicle isn't too big in proportion to the traffic flow. And, of course, the number of routes and combinations of routes and vehicles between any two points in each system varies from one in the authoritarian line system to a very large number indeed in the democratic limit system.'
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> (1976, pp. 31–32)

Turner goes on to argue for the need for requisite variety where the controlling system should be as varied as the system it seeks to control. He states:

> 'In housing, this implies that there must be as large a number of decision-makers, or controllers, as variations demanded for the maintenance of a stable housing system.'
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> (Ibid., p. 32)

Where there are a limited number of controllers, such as states with centralised planning systems, or where there are a small number of dominant private developers, 'This has resulted in grossly coarse-grained cities which exclude those who fail to fit the officially or commercially specified categories' (ibid., p. 32).

Turner goes on to link his analogy of lines and limits to planning and creates the distinction of executive and legislative planning. Executive centralised planning is planning by programmed specifications and procedures. This, Turner states, is often called 'urban design' and is deeply embedded in contemporary planning theory and practise' (1976, p. 109). Planners draw specific lines of action and so dictate what must be built, where it must be built, and how. It is therefore highly prescriptive and controlling.

In contrast to this, Turner looks at legislative planning which sets down limits for action. He offers the example of Philip II of Spain's *Law of the Indies* which regulated much colonial development in the sixteenth and seventeenth centuries. This law set out limits of what individuals were free to do by demarcating plots and guaranteeing secure tenure. In return, a minimum investment within a given period was demanded. Turner argues that such a system is proscriptive:

these laws set limits to what people and local enterprises may do, but do not state what they must do.

Effective choice

Turner's idea on housing and planning can be linked to our discussion here through the concept of what I have termed *effective choice* (King, 1996). This can be seen as the ability to determine one's own ends and have access over the resources needed to achieve this. There are three principles for housing processes based on effective choice. The first principle involves the *limitation* of the role and scale of government activity in housing. Central government does not need to set down distinct lines for action, but rather it should merely set limits or parameters in which agencies and individuals can operate. Thus government's role should be restricted to setting limits to action which allow for the maximum opportunity for self-creation and individual fulfilment. Secondly, the *control* of the housing process should be local and in the hands of those who use the outcomes of the process. The smaller the scale, the better outcomes can be manipulated by the users. Thirdly, control is activated by *access* to resources. Partly, of course, this is a function of income, but it also relates to the facilitation of resources and the means of accessing them at the requisite level.

This notion of effective choice, based as it is on the need for proscription rather than prescription, offers a guide for how housing policy can develop. It suggests that government has a role, but this should be limited to facilitating activity through the guaranteeing of resources and the enforcement of property rights. This is not a negligible role, but it is considerably different from that which government tries to play at the moment.

Approaches to low-income housing

The papers presented in this special issue try to come to grips with what government can do and at what level it should interact with households and housing providers. The authors consider government activity at the international, national, regional and local levels. The authors detail a pattern of government – particularly at the national level – seeking to do too much and failing. They show that this level of intervention hinders the provision and sustainability of housing for low-income households.

The first paper, by Robert Whelan, considers the role of the voluntary sector in Victorian Britain. He demonstrates the impact of voluntary activity at the local level in dealing with poor housing conditions. Activists like Octavia Hill were able to make a material difference through direct engagement. Whelan then shows how this voluntary activity was crowded out by state intervention despite the warning given by Hill and others.

The second paper by Ronald D. Utt looks at the development of US housing policy from the 1930s to the present. He shows how over time policies in the USA have shifted towards a more personalised system based on vouchers. However, Utt also shows the inefficient and expensive failure of direct government provision at the federal level and how these compare with market-based solutions. Much policy, he argues,

is driven by an apparent imperative to 'do something' rather than finding out what works and why.

In her paper, Karol Boudreaux considers housing and property rights in Africa. She considers the impact of governments in Africa, particularly the imposition of high transaction costs and bureaucratic hurdles to formalise housing for those who have entered cities in response to rapid industrialisation. She cites the need for improved tenure security and mechanisms to enforce property rights. The role of government here is as a facilitator that can empower rather than obstruct households.

The paper by Zainab Bawa and Parth J. Shah presents a nuanced argument examining the integrated role of housing in formal and informal economies in Indian cities. They argue that the provision of housing for the poor is not enough in itself. Provision needs to be embedded into the local economies, and so policy-makers have to be aware of local informal networks and how these connect with the formal sector of the urban economy. They show that what is crucial is the level of political action and the need to provide mechanisms to include the poor in both markets and political decision-making.

The next paper considers the possibility of competition within European social housing and between the social and market-based rental sectors. Michael Oxley, Marja Elsinga, Marietta Haffner and Harry van der Heijden use the recent intervention by the European Commission as their starting point to explore the role of social housing in states which have both well-developed private rental sectors and a relatively large social sector. They compare policies and practices in England and the Netherlands and show how social housing is more

diverse and integrated into the mainstream in the latter country. As a result social housing in the Netherlands is not restricted to those on low incomes, whereas social housing in England is dominated by the economically inactive.

The final paper by Peter King takes a more in-depth look at housing policies in England. In considering the manner in which central government dictates policy, King identifies two key themes: choice and affordability. However, the top-down approach of the government is seen to be counter-productive. King then proposes reforms aimed to foster choice and empowerment through competition between landlords. These reforms would effectively privatise social housing and so return housing in England to the situation discussed by Whelan in the first paper.

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