

ENHR International Conference

Ljubljana, Slovenia, 2-5 July 2006

Plenary No. 4

“Shifting populations: Demography, mobility and housing”

The Housing Dimensions of Population Change and Welfare Reforms

Dragana Avramov

Population and Social Policy Consultants (PSPC)

www.avramov.org

avramov@avramov.org

Abstract

The author identifies the key features and the possible impact of the expected socio-demographic future for housing policy formulation and implementation. She also looks at preferences of citizens that may be expected to shape the future demand for housing. The retrospective dimension encapsulates lessons learned in terms of the social costs of weak welfare and housing protection and the social exclusion dimension. She analyses housing stress (according to age, household type, and family composition) and the caring capacity of families. The presentation concludes with the identification of the policy insight about challenges to social and housing amelioration in the ageing societies in the 21st century.

The author shows that the demographic changes - associated with population ageing due to increased longevity and decreasing births and changing family structures characterised by the increase in single parent families, reconstituted families, and non-cohabiting relations (LAT) - interact towards changing demand for housing. She argues that although housing needs cannot be analysed without concern for demography there is no simple causal link between the two.

She particularly underlines the impact of disruptive employment histories and family dissolution, and migration on life chances in various stages of the life course, and at high age in particular. She points to the population ageing that will continue with accelerating pace in the next decades and the fact that a growing number of people, especially women at higher age will spend an increasing number of years living alone. Both trends will require some considerable policy intervention regarding work, family life, housing and social protection and care provisions in a life-course perspective.

The analysis builds on demographic statistics and population projections, composite variables on housing stress constructed on basis of the micro level data from the European Community Household Survey (ECHP), and data gathered under the EU funded projects “Population Policy Acceptance Study (PPAS)” and “Needs for Female Immigrants and Their Integration in Ageing Societies (FEMAGE)”. The policy context is identified on the basis of desk review of literature and some of the key findings of the policy review in the area of Social Exclusion and Social Security.

1. Setting the stage: welfare, social protection and housing

Welfare regime refers to a system of public regulation that aims at assuring the well being of individuals and securing social cohesion by means of legal measures and the redistribution of resources. The underpinning standard-setting norms build on a long history of social emancipation movements, philosophy, political economy and legislation. Social protection system actually set in place with housing as one of its functions operate in the social context defined by the economy, by the demography, and by the expectations of citizens as well as by the legal framework. The distribution of public resources between different social protection functions reflect policy choices made from a variety of options.

Table1. - Social protection benefits by functions in selected countries (as a percentage of the total social benefits)

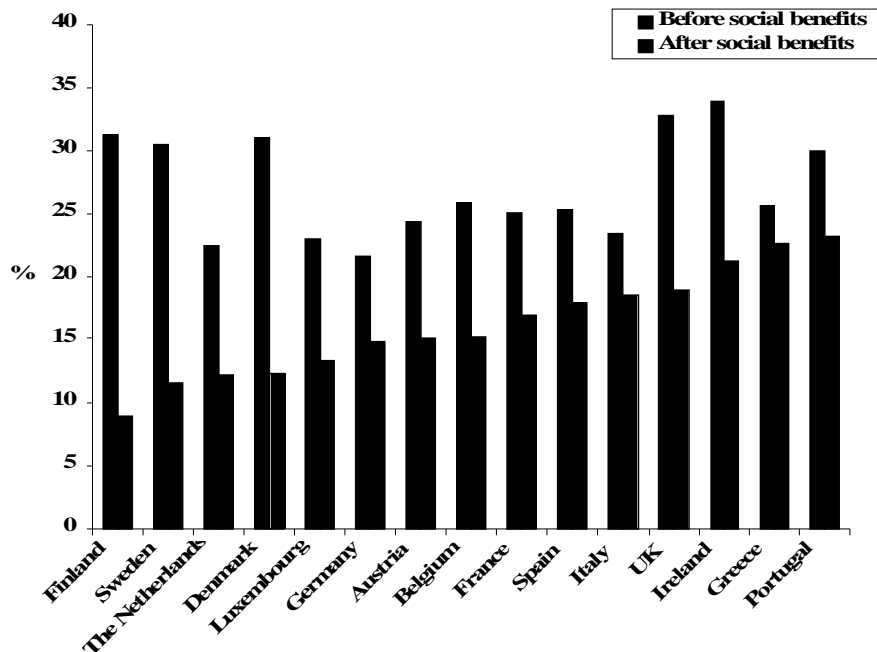
Country	Old age	Survivors	Sickness Health care	Disability	Family/ Children	Unemployment	Housing	Social exclusion
Belgium	31.6	11.2	24.5	8.8	8.5	12.7	:	2.7
Denmark	38.3	0.1	19.3	11.6	13.0	11.7	2.5	3.7
Germany	40.4	1.9	28.1	7.9	10.1	8.7	0.7	2.2
Greece	43.9	8.7	24.1	6.2	8.1	4.8	3.1	1.1
Spain	41.9	4.3	29.2	8.1	2.1	13.5	0.3	0.7
France	37.9	6.1	29.2	4.9	9.8	7.6	3.2	1.4
Ireland	19.0	6.0	36.6	4.8	12.7	15.5	3.4	2.1
Italy	53.3	10.7	23.4	6.2	3.6	2.7	0.0	0.1
Luxembourg	39.9	4.3	24.6	12.1	14.1	3.5	0.3	1.1
Netherlands	35.8	5.3	28.5	11.8	4.5	7.3	1.6	5.2
Austria	37.9	10.3	26.2	8.6	10.0	5.5	0.3	1.1
Portugal	35.5	7.2	33.2	12.6	5.3	4.7	0.0	1.5
Finland	30.5	4.0	22.7	14.4	12.8	12.0	1.4	2.2
Sweden	37.2	2.3	23.4	11.6	10.0	9.3	2.5	3.0
UK	39.9	3.9	25.2	11.6	8.6	3.6	6.2	0.8

Source: Avramov (2002)

The connection between high levels of prosperity and high levels of social expenditure is most evident in the Nordic countries, with their long-standing tradition of generous welfare provision. However, a thorough analysis of investment into social protection in different countries also indicates that the generosity levels for the allocation of public resources are sometimes, but not always, proportionate to the economic prosperity of a country. The variations between countries highlight different systems for prioritising which sometimes, but not always, take into account the demographic dynamics or general needs of particular population sub-groups. By way of example, during the 1990s, Spain and Italy were persistently spending the lowest proportions of social protection budgets on benefits for family and children, despite the fact that their fertility levels fell to the lowest levels in Europe. This is emphasised to highlight the importance of the normative systems that lie at the basis of policy choices and not to imply that there is a causal link between benefits and fertility levels.

Given the focus of our paper on the analyses of poverty related social and housing exclusion, it is also pertinent to highlight differences in the take-up of basic safety-net benefits. There are no direct housing transfer payments in Belgium. The minimum existence benefit is expected to cover also the housing costs. The number of beneficiaries of the general non-contributory minimum stood at some 80,000 people in Belgium, while cash allowances, as an anti-poverty safety-net, were paid out to 20,000 people in Spain (for data see: MISSOC, 1998), whose population is four times the size of Belgium.

Figure 1. Percent of households exposed to income precariousness before and after social benefits to supplement income from work, pension and non-work related private income, selected countries (ECHP 1996-1998)



Source: Avramov, 2002

Public concern and allocation of public resources for housing of citizens is one component of the social protection functions. Rarely can the welfare dimension of housing be understood without regard for the standard-setting principles, implementation and monitoring of public policies as they relate to social protection in general and social prioritizing of its specific functions. It is, furthermore by no means evident that the allocation of public resources to cover housing costs should have a more prominent role for social cohesion and enhancement of the quality of life of all citizens than the working conditions, old age and survivors' pensions, health care, education, public transfer payments for the sick and disables, families and children, unemployed and socially excluded. Indeed, it could be argued that if minimum guaranteed income from work, unemployment benefits, minimum pensions and guaranteed sufficient resources (general non-contributory minima) were sufficiently generous to guarantee the minimum acceptable way of life in the Member State in which people live, public transfer payment to cover rent or alleviate 'fuel poverty' would be largely redundant as a hand-out.

Indeed, countries that spend the highest share on housing benefits (for example UK and Ireland), as shown in Table 1 are not among the countries most efficient in decreasing deprivation (see Figure 1).

Research, no doubt confirms the importance of housing for the wellbeing of people but there is also growing consensus that employment, health, education, housing, and welfare form an indivisible core of social rights which underpin social cohesion¹. Indeed, at the European level, the Council of Europe pursues the rights approach and the strategy of social cohesion which encapsulates employment, health, housing, education and welfare dimensions.

If access to affordable and decent housing for all is to have a truly prominent place in policy implementation at the European Union level, and at national and regional levels, and not be limited only to policy deliberations as is mostly the case, the stakeholders must take aboard the general societal framework conditions. Too often, the key housing actors take a narrow topical approach and group targeting.

Research, up to date confirms that access to affordable and secure housing of standard quality is a necessary but not a sufficient factor for social cohesion and prevention of social exclusion.

2. The key research findings on the relationship between welfare and housing

The key lessons learned from research undertaken in the past 10 years or so (Avramov, 2006), that are an epistemic and functional contribution for prospective policy building to promote social and housing inclusion may be summarised as follows.

- Welfare regimes matter. They provide the framework conditions that encapsulate the legal measures and redistribution of material and non material resources. They are effective in enhancing opportunities for individuals. They are effective in alleviating inequalities between social groups, in buffering disadvantages which occur over the life-course of individuals, and in compensating for disparities between generations which result from diverse historical circumstances under which successive generations worked.
- Labour market conditions and social protection are the key complementary components of individual's experience of security. The first defines access to the job market, wage levels and flexibility for employees. The latter is the social buffer against risks associated with sickness, old age, maternity, family dynamics, unemployment, and general neediness.
- Countries with strong welfare regimes are more effective in reducing poverty levels, both among those who are in the labour market in casual and part-time jobs, and people who are excluded from the mainstream labour market due to unemployment

¹ For of the pertinent examples of the international standard-setting document see the "Mata Declaration" (Council of Europe, 15 November 2002). The Declaration reaffirms that the promotion of effective access to social rights is a key element of the strategy for social cohesion, that there is the indivisibility and the interdependence of human rights and that social rights as part of human rights are a factor for the reinforcement of human dignity. In the Council of Europe activities to foster social cohesion the strategy is conceptualised to include employment, health, housing, education and welfare dimensions.

and temporal or lasting low employability. Best performing in social security within and outside the labour market are the Scandinavian countries. Worst labour market conditions and weak social protection affect people living in Southern countries and some new Member States.

- Integration in the mainstream labour market is of primary importance for social integration of individuals and families. Housing policies have a complementary protective function, which is of particular significance when risks of unemployment or sickness materialise.
- Poverty, inequality and social exclusion are manifested and lived by people in their neighbourhoods. The specific local context implies that most effective ways to deal with the concentration of deprivation problems through targeted programmes and services are through local networks. Whereas local actors, together with residents are best placed to shape some of the poor conditions in a neighbourhood, the broader context proves to be of paramount importance, more particularly at the level of prevention of deprivation and urban segregation. The city economy and the national welfare policy play a pivotal role. Strong welfare state systems produce small neighbourhood differences, whereas weak systems increase the disparities between neighbourhoods.
- There are wide variations both in the extent of social exclusion across countries and in the policy regimes chosen to combat it, and there has been in recent years a policy switch from attempts to provide effective generalised protection to more focused efforts designed to identify and assist those groups most at risk. Much research evidence testifies about advantages of integrated, comprehensive social inclusion policies with a strong preventative function, rather than fragmented focused reparatory measures and services.
- Weakening of the preventative commitment of many states in favour of the management of social exclusion associated with unemployment and precarious employment, entails the increase of public funding to contain crime and the transfer of increasing amounts of public resources to the non-for-profit, and semi-profit social businesses and non governmental organisations working with deprived people.
- Targeted measures are seen as a necessary complementary component of integrated social protection. Standard systems of social protection are not sufficient to prevent exclusion of people who are weak competitors in the labour market due to multiple and overlapping problems. People with mental health problems, deviant behaviour, or addiction require extensive and continuous social support, housing and sheltered employment.
- The notion of risk is one of the basic ideas underpinning the new approach to poverty/exclusion/stratification analysis. Risk situations are increasing due to the greater diffusion of vulnerability factors associated with the employment crisis, changes in demography - particularly in respect of family dynamics, population ageing and immigration - and new policy trends. As a result, the domains of vulnerability - from both the viewpoint of precarious income and the fragility of social ties – are potentially a greater problem than the frequency of current exclusion would suggest.
- The number of people who experience a spell of poverty over a period of five years is twice as high as the number of poor counted in any single year. Whereas there is

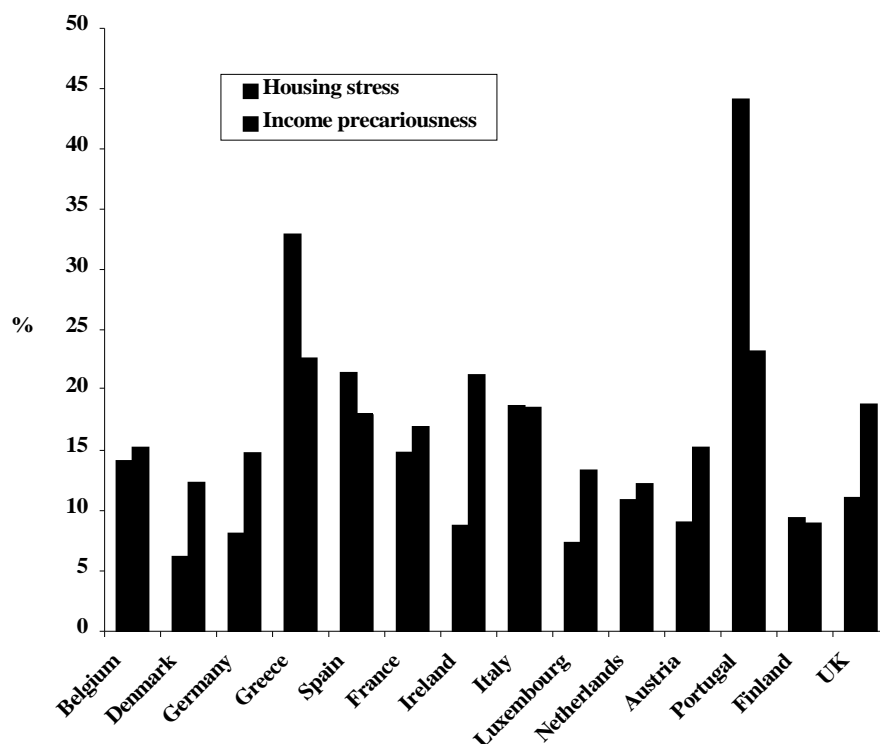
considerable movement into and out of poverty, chances of exiting poverty reduce for people as the duration of the poverty condition increases.

- Groups most at risk of social exclusion are immigrants and unemployed youth, especially when they are descendants of foreign born parents. One-off or short term capacity building and/or integration programmes produce only modest results.
- Political decisions taken at the European level situate the role of the European institutions in social security matters around the open method of co-ordination as means of collective learning and social monitoring. The method is a step forward towards addressing the social dimension of Europe. However, it entails risks of fragmented approach to good practice and transferability without due concern for the social context under which particular policies, measures or services appear to be effective, and can result in benchmarking standards of protection and service delivery at the lowest common denominator.
- The role of the European Union in promoting economic cohesion will entail in the future its more active role in integrating social policy dimensions because a more integrated and converging economic policy may be expected to generate similar social challenges and insecurities in the Member States.

3. The key research findings on housing deprivation

Housing deprivation is, no doubt, rooted in income poverty but the relationship is neither direct nor does the proportion of people exposed to income precariousness correspond fully and in all countries to the proportions experiencing housing stress. Housing stress is measured in this contribution by a composite threshold variable. We have constructed the Composite Indicator of Housing Stress (CIHS) which takes into account the country-specific weight of different dimensions of housing deprivation such as lack of housing facilities, housing disadvantages, and housing environment problems.

Figure 2. Percent of households experiencing housing stress (composite threshold variable), and households in income precarious conditions (less than 60 percent of the equivalised median income), in selected countries (EHP 1996-1998)



Source: Avramov, 2002

The correlation between income precariousness and housing stress is statistically significant ($r = -0,16$) but it is not very high. The correlation between household income and the number of housing problems is somewhat more pronounced ($r = -0,19$), which means that the higher the income the fewer is the number of housing problems that people have. Data appear to indicate that in Portugal, Greece and to a lesser extent in Spain the proportion of people experiencing housing stress is higher than the proportion of people living in income precarious conditions (Figure 2.). In Finland, Belgium, France and the Netherlands, the proportions in poverty and housing stress are quite similar. In Denmark, Germany, Ireland, Luxembourg, Austria and the UK income poverty affects considerably more households than housing stress. One generalisation can, however be made: countries that have a strong mediating role of the state are countries with lowest proportions of badly housed people.

The prevalence of specific problems also varies by country (Table 2). Housing environment problems appear to be the most prominent cause for complaints in Belgium, Germany, Italy, Luxembourg, Netherlands and Finland. Lack of housing facilities is still cause for deprivation of high proportions of people in Greece, Portugal and Spain. Poor housing conditions characterised by a shortage of space, lack of light, lack of adequate heating, leaky roofs, damp walls, and rot in windows affect as many as two in five households in Portugal and are also widely reported problems in Greece, Spain, France, Italy and the UK where one in five households lives in poor housing conditions.

Table 2. Percent of households experiencing housing stress and specific types of housing deprivation, by country (ECHP, 1996-1998)

	Households experiencing housing stress *	Households lacking housing facilities **	Households with poor housing conditions ***	Households having housing environment problems ****
	(%)	(%)	(%)	(%)
Belgium	14	8	16	18
Denmark	6	4	9	8
Germany	8	6	10	17
Greece	33	41	23	20
Spain	21	20	19	20
France	15	13	20	19
Ireland	9	7	9	10
Italy	19	10	21	23
Luxembourg	7	5	7	11
Netherlands	11	3	13	18
Austria	9	10	8	9
Portugal	44	34	39	20
Finland	9	8	12	21
UK	11	1	19	18

Composite threshold variables: * Housing stress measures the combined effect of all three clusters of deprivation with the use of a set of weighted variables; **lack of a separate kitchen, bath, flush toilet, hot running water and central heating; *** shortage of space, lack of light, lack of adequate heating, leaky roofs, damp walls, and rot in windows; **** noise from neighbours, outside noise, pollution and vandalism in the neighbourhood.

Source: Avramov 2002

4. Caring capacity of families, household composition and housing stress

Poverty and housing stress are sensitive to the key demographic characteristics of age, sex and household composition. Housing needs are strongly rooted in household changes that occur over the life course of individuals and life cycle of families.

The majority of young adults, who leave the parental home or a care institution to set up an independent household at early age, before they have acquired skills to be sufficiently competitive in the labour market, tend to live in income precarious conditions. In other words, continuing to cohabit within the family environment is the best protection for young adults against deprivation. The importance of the complete family as a buffer to income poverty and the relevance of within family transfers between co-residing kin, particularly at younger and older ages have extensively been documented in research.

Women are found to be systematically worse off than men and are more likely to be income poor, badly housed and less satisfied with their living conditions. Women have a higher propensity to live in households that are on low incomes and are poor, a difference, moreover that tends to widen with increasing age. Women of all ages are also less satisfied than men with their financial situation, activity and housing and feel more deprived in terms of access to goods and services as well as being in worse health. This is particularly the case in Mediterranean countries.

Poverty is associated with partner relations and living arrangements. Some household types are more at risk of income related vulnerabilities than others. In particular, single person and one-parent households dependent on one income are less well equipped to buffer the risks associated with rapid or unexpected changes in the labour market and are vulnerable to changes in public policies aimed at limiting transfer payments. When the labour market fails to provide work opportunities or the income from work is insufficient, and when social benefits are low, one-person and one-parent families have a higher than average risk of poverty. Income precariousness affects 24 percent of one-parent households, 22 percent of one-person households, 14 percent of couples with children, and 11 percent of couples without children.

Poverty is also associated with the number of children in the household, i.e. the higher the number of children the higher is the proportion of families that find themselves in income precarious conditions. Indeed, as many as 44 percent of families with five and more children live on low incomes or are in poverty. The presence of children impacts on both incomes and general levels of satisfaction, and this is apparent when we compare couples with and without co-residing children. Indeed, couples without children, especially those of prime working age constitute the best-off household type; both in terms of the means and satisfaction they record the lowest proportions exposed to or experiencing multiple deprivations. Furthermore, large families are clearly exposed to multiple deprivations more often than couples with one or two children. The larger the number of children in a household the lower is the equivalised household income. Moreover, the parents of large families are more likely to be of low educational attainment. The percentage of unemployed heads of households is highest in families with four or more children, while overall living conditions, measured in terms of housing and possession of household durables also shows that large families are more likely to be of poor means and more dissatisfied with their life chances than couples with one or two children.

4.1. Housing stress according to age

Housing stress, expressed as the sum of the problems associated with inadequate housing facilities, the experience of housing disadvantage, and problems with the housing environment, is highest among young households with main earners aged between 15 and 29². It is lowest in households with heads between the ages of 45 and 58 but increases again among the elderly, affecting one out of every five households with heads aged 75 and over.

The types of housing problem experienced also vary by age. Inadequate housing facilities, such as the lack of a separate kitchen, bath, flush toilet, hot running water and central heating, increase sharply for households headed by people above the age of 60 and affects one out of every three households with heads aged 80 and over. The

² The majority of young adults who set up independent households before they have acquired the educational and professional skills to become fully competitive in the regular labour market exist in income precarious conditions. As many as eight out of every 10 breadwinners aged 15 to 19 live on low incomes or in poverty. However, they cannot be taken as representative of the 15 to 24 year olds at large who in the majority are still inactive. Indeed, in the ECHP database there are only 144 respondents aged 15 to 19 who are main earners and 2,011 main earner aged 20 to 24. Cohabitation with family members appears to be the best protection against financial deprivation of adolescents (for analysis see Avramov, 2002).

composite indicator of housing disadvantage that takes account of shortage of space, lack of light, lack of adequate heating, leaky roofs, damp walls, and rot in windows, also tends to be higher among the elderly, although problems with the general housing environment are of lesser concern to the group. Indeed, noise from neighbours, outside noise, pollution and vandalism tend to decline in importance with increasing age.

Another way of investigating the different types of problem is by considering the prevalence of specific variables in a population. Regarding specific problems with respect to accommodation, the data show that outside noise is the most widespread nuisance at all ages particularly for Germans, Italians and the Dutch. The elderly, however, appear to be less disturbed by noise from neighbours than either the middle aged or younger people. Lack of space, on the other hand, primarily affects younger adults. It exhibits a peak in the 30 to 34 age group, decreases up to ages 70-74 and then rises slightly among the oldest old. Lack of central heating is a particular problem after the age of 65, with some 30 per cent of elderly people over the age of 85 lacking this facility. Regarding problems with humidity, damp walls, leaky roofs, inadequate light and lack of adequate heating, there are no major age differences up to the age of 70, but thereafter the proportions reporting these difficulties tends to increase.

Vandalism and local crime affects a considerable proportion (an average of 17 percent) of people at all ages. Variations between countries are, however, more pronounced than age related differences, with only 7 percent in Austria, but 27 percent of people in the UK complaining about vandalism or crime in their housing environment.

Taking into consideration all three composite indicators of housing deprivation, housing stress is highest in Portugal, Greece, Spain and Italy. It is also precisely in these countries that the differences in housing stress between those of active age and the elderly are greatest, the elderly clearly being worse off. In the other countries under consideration there is either little difference between the elderly and the active age groups in respect of housing stress, or it is the younger elements of the population that experience the greatest levels.

4.2. Housing stress according to household type

The risk for housing stress varies according to household type both for poor and non-poor households. Income deprived households have a considerably higher prevalence of housing stress. However, the proportions of non-poor households reporting housing stress as measured by the composite indicated is significant.

On average, single parents are clearly the worst off while the best housed are couples without children. The proportion of households experiencing housing stress is two fold higher among household that live in income precarious conditions than among the non-poor households (Table 3).

Table 3. Housing stress by household type and income precariousness (ECHP 1996-1998)

Household type	Percent of households experiencing housing stress		
	Households in income precariousness	Non-poor households	All households
Couple without children	20	9	10
One person household	23	13	15
Couple with children	26	12	14
One parent family	29	17	20

Source: Avramov 2002

When we look at between country differences regarding the prevalence of housing stress among households in income precarious conditions it is everywhere that the worst off are households in which income can potentially be generated by only one person (Table 4. in Annex). The type of housing deprivation clearly varies according to household type and is given below in more detail.

4.2.1. Housing stress among one parent families

In terms of basic facilities, only a marginal proportion of one-parent families lack a bath, shower or toilet (2 percent) or inside running water (5 percent) but 24 percent have inadequate heating.

One-parent households are somewhat more likely to experience specific housing problems than other household types and show the highest percentages of housing disadvantage and housing environment problems.

As expected, one-parent families living in income precarious conditions are confronted with more housing problems than one-parent families who are better-off.

Another difference between lone parents and couples with children lies in housing tenure. On average, one in two lone parent family lives in an owner-occupied dwelling compared with seven in 10 couples with children. In addition, the differences in tenure type by country are much more pronounced for lone parents than for couples with children. The lowest proportions of homeowners among lone parents are found in Germany, Denmark and the Netherlands and the highest in the countries of southern Europe and Luxembourg. These differences should, however, be interpreted in the light of the availability of publicly funded or co-funded social housing. In countries where social housing is in short supply or is non-existent, as is the case in most southern European countries, individuals and families have no other choice than to resort to private coping strategies. In the Netherlands, the UK, Ireland, Finland, and Austria the overwhelming majority of lone parents who rent a dwelling are housed in publicly funded social housing.

In all advanced welfare states, single parents have priority access to social housing, which as a rule provides affordable housing and a high degree of security of tenure, albeit of variable quality. The take-up of publicly funded housing is one of the indicators of the high degree of dependence of lone parents on public support, in this case through indirect housing subsidies. On average, 53 percent of one-parent families who rent their dwellings

live in social housing while only 40 percent of couples with children that are tenants benefit from the public housing sector.

It is generally known that the housing needs of one-parent families in terms of space and equipment do not differ substantially from those of families composed of couples with children, the key differentiating variable being the number of co-residing children. It comes as no surprise that housing costs are a heavy burden for one out of every three lone parents, which is the highest figure for any household type. An average of only 14 percent of couples without children, against 19 percent of one-person households and 22 percent of couples with children, report that housing costs are a heavy financial burden. Those reporting no problem in this regard amount to only one in five of one-person households compared to one in two of households without children. In the Netherlands, the UK, Ireland, Finland, and Austria the overwhelming majority of lone parents who rent a dwelling are housed in publicly funded social housing, much lower proportions are found in southern Europe, Germany and Luxembourg.

4.2.2. Housing stress among two parent households

Seven out of 10 two-parent households are home owners and show the highest levels of home ownership of any household type.

As expected, couples with children who are on low incomes or are poor are less likely to be home owners, with 55 percent owning their own homes compared with 72 percent of those above the low-income threshold. Couples with children exposed to income precariousness are subject to greater housing stress (24 percent) than those above the income threshold (12 percent). Two parent families with children are rather well off when compared to one person or one parent households but are more likely to experience housing stress than couples without children who are the best housed and display the lowest levels of housing stress.

Among two-parent families with children the most widespread housing problem is shortage of space - 21 percent complaining about this compared with 15 per cent of all households. Housing costs are also regarded as a burden by 22 percent of two-parent households with children compared with 14 per cent of couples without children.

As would be expected, couples with children living in income precarious conditions are more likely to regard housing costs as a burden (eight out of 10 complaining about housing costs) than those who are not.

5. The socio-demographic context of future housing policies

Demographic changes - associated with population ageing due to increased longevity and decreasing births and changing family structures characterised by the increase in single parent families, reconstituted families, and non-cohabiting relations (LAT) - interact towards changing demand for housing. Demand for housing is directly related to the number and type of households. Although housing needs cannot be analysed without concern for demography there is no simple causal link between the two.

At the turn of the 20th century a great variety of life-styles are observed over the life course of individuals and this diversity cuts across all social strata in all European countries. Changes in the family situation of house seekers affect both demand for housing in terms of numbers of dwellings, requirements for quality, equipment and size of dwellings, as well as individuals' ability to meet the financial demands of the housing market.

One of the most significant demographic phenomena of the second half of the 21st century that is expected to persist in the new millennium is a steep rise of numbers of one person households - comprising both young people living alone and older people, particularly women, living on their own. Singles are increasing in number in all age groups. In the last decades of the 20th century the number of one person households in the European Union increased by 36 percent, the total number of households increased by 17 percent, while the total population increased only slightly. Changes in the population size have clearly not been a primary factor in the demand for housing. Changes in households, both in terms of numbers and their different structure have had strong repercussions on the housing market. It is the increase in numbers of people living alone that has considerably increased pressure on the housing demand in general and contributed to the persistence of demand for rental accommodation. Single persons tended in the past to be over represented in rental housing, particularly in the public sector.

The demographic trends that will have a strong impact on future housing needs may be summarised as follows: population ageing will continue with accelerating pace in the next two to three decades and a growing number of people will spend an increasing number of years living alone. At the turn of the 21st century population ageing is the dominant demographic process in Europe. Prevalence of women among elderly is expected to persist in all countries as a result of excess male mortality (Avramov and Maskova, 2003).

5.1. The impact of demographic changes on needs for housing policy adaptations and reform

Demographic changes pose a remarkable challenge to the welfare state in general and to the housing sector in particular.

- The salient features of the interaction between demography and housing may be summarised as follows: Leaving the parental home, getting married and having children are no longer the only, or even predominant, sequence of events. There is no rigid socially defined timetable for constitution of families and re-constitution of families becomes ever-more frequent. Leaving home patterns of young adults choosing to live alone, cohabit or marry are an important factor in mobility and pressure on the housing market.
- Separation of cohabiting couples or divorce is directly related to changes in housing needs. During the period immediately following the splitting up of couples or divorce the need for housing is in most cases urgent for at least one of the partners. One or both of the partners have to find new accommodation. The situation of psychological distress and social stress make many divorcees and particularly one parent families vulnerable on the housing market.

- For both separated and reconstituted families household size is no longer an adequate measure of real housing needs in terms of space and lay-out of dwellings. Joint custody or co-parenting implies that these families require facilities for visiting children born from former relationship.
- As a consequence of increased numbers of aged who desire to continue living on their own as long as possible and the ever-increasing need for specific health care and housing adaptations, both imagination and political will are necessary to meet the housing needs and needs for care in an ageing demographic environment. Widowhood generally results in limited housing mobility although the need for space decreases and a considerable loss of income of the surviving partner may occur.
- Extending the time during which elderly people can live independently in their preferred environment with the support of ICTs is a high priority.
- Immigration continues to be an important factor in the population dynamic. Expectations of immigrants regarding housing vary according to their activity and general social status. On the one side, the high numbers of better-off immigrants in cities where there is a concentration of international institutions is an important source of housing demand for high quality housing. This pressure may contribute to the increase in prices on the real estate market, but in this case the market operates with its 'invisible hand' balancing the offer and demand. On the other hand, immigrants with poor qualification and low income are mainly seeking low-cost housing for rent.

In view of the future it may be said that the social aspect will be a major factor in global housing policy which takes into account both the effects of demography on the housing demand and the impact of housing supply on the range of choices regarding life style options of individuals and families.

A particular challenge is the adaptation of the housing market and the mediating role of the state to population ageing. Modernisation is characterised by a revolutionary extension of the life expectancy, whereby the causes of death have largely shifted from external (i.e. infectious diseases) to internal factors (i.e. senescent deterioration). More and more people are protected or successfully treated for infectious diseases also at high age and thus are exposed to ageing as a gradual and generalised regression that results in death. Strong arguments may be given to substantiate findings that the increase in life expectancy in the course of the 20th century was accompanied by a compression of morbidity to higher ages, resulting in a double trend: better health and increasing capabilities of the younger aged and an increasing frailty of the oldest old who are no longer suffering or dying from infectious diseases but are confronted with the degenerative processes of senescence at very high age (Avramov and Maskova, 2003). The fact that Europeans are living longer and that growing numbers of oldest old (80+) will need adaptation of their living space and supporting services in view to maintain autonomy will require much public support.

The awareness of the importance of housing in view to promote the development of a society for all ages is articulated in the International Action Plan on Ageing (Madrid, 2002) which explicitly calls upon governments to undertake action to offer elderly

persons opportunities for affordable housing and to take due account of individual preferences.

5.2. Preferences of citizens that may be expected to shape the future demand for housing

Among factors that contribute most to the quality of life of Europeans - having nice home rates higher than having a satisfactory job. Health, money, family, home and friends rank on average as the five most important quality of life factors for citizens. Housing policies will no doubt have to take into account high value attached to housing conditions as a measure of wellbeing and increasing expectations of people regarding the comfort and security of their housing.

Between-country differences in the perception of having a nice home as the factor that contributes most to the current quality of life are remarkable. At the upper end of the scale, in Germany, Austria and Finland, three to four out of every 10 citizens consider that a nice home is the most important component of their quality of life. At the bottom part of the scale, in Spain, only three out of every 100 respondents consider that having a nice home is the most important factor contributing to the current quality of life (Table 4).

Table 4. Percent of people stating “having a nice home” as a factor that contributes most to their current quality of life

<i>Country</i>	<i>Percentage</i>
Germany	37.7
Austria	35.6
Finland	32.8
Ireland	25.0
France	22.3
Belgium	18.9
United Kingdom	18.0
Luxembourg	16.0
Portugal	15.7
Netherlands	14.3
Sweden	13.5
Italy	11.1
Greece	7.7
Spain	3.0

Source: Eurobarometer 52.1 – Autumn 1999

The persistence of unemployment in Europe poses new challenges to old housing policies. Up to date housing policies have been largely oriented towards enabling access to homeownership and have provided a facilitating framework to a broad population base in most European advanced economies. Indeed, indirect redistribution of resources in the form of advantageous loans to first-time home buyers and tax rebates weighted heavily on the public budgets. Homeownership, in the European context, has had a strong anchoring effect and it has contributed to a population climate which does not seem to

favour the mobility of the labour force, especially among middle and lower-income groups.

The unemployed are not much prone to undertaking the risk of becoming badly housed or homeless in order to pursue job opportunities, more particularly when those jobs appear to be insecure or casual and flexible incomes do not provide necessary proof to landlords and banks that rents and mortgages will be paid regularly.

Regional disparities in economic performance and in housing availability, particularly housing for rent, and concentration of casual jobs in particular regions or cities translate at the individual level into inflexible behaviour of the unemployed many of whom, after having weighed risks and advantages of moving in order to pursue employment, prefer to sit and wait for the jobs to come to them.

Only a minority of unemployed appear to be willing to move to a different area than the one they are currently living in order to get a job (Table 5). It is particularly in Germany, Austria and Denmark that only a small minority would accept moving area to get a job. Of course, in addition to risk-avoidance regarding insecurity of 'flexible labour' and shortage of affordable housing, lack of willingness to move residence may also be linked to family circumstances.

Table 5. Willingness of unemployed to move house to a different area to get a job

<i>Country</i>	Would accept moving area (%)
Spain	43.8
Italy	40.2
France	36.7
Belgium	33.3
Netherlands	31.4
Sweden	25.7
Finland	25.2
Portugal	24.4
Ireland	22.2
Greece	20.9
Great Britain	19.0
Denmark	17.6
Austria	16.3
Germany (New Länder)	15.7
Germany (Old Länder)	13.2

Source: Eurobarometer 44.3

Just as employment policies will need to take into account overwhelming evidence about the disenchantment of people with work, particularly of people aged 50 and over (Avramov, 2002) so will housing policies need to incorporate preferences of elderly persons to preserve their autonomy in personal housing in a nice home in an enabling and supportive environment.

6. By way of conclusion: challenges to housing policy amelioration

Dealing with current problems related to unmet housing needs and difficulties which low income people and disadvantaged groups have in maintaining a dwelling through palliate measures is an indispensable step forward in promoting social integration and improving the quality of life of European citizens (see for example Till, 2002). But in the long run it may be necessary to rethink the philosophy underlying several interrelated areas of public policy, namely work, housing and demography.

The changing features of the labour market in the direction of the so-called 'flexible labour' which entails more limited term contracts, insecure employment, part-time working, self-employment and low wages, have both demographic and housing implications. On the one hand, new trends in the labour market require and impose mobility of workers and our societies are increasingly attaching high value to 'foot loose' people who are willing to follow employment opportunities. Global processes in the economy imply that people are expected to change several professions and places of work during their life-course. On the other hand, governments have traditionally been focusing their housing policies on promoting primarily home-ownership. The meaning of *home* has become almost exclusively tied to the concept of *property*. A rift is widening between work policies and access to housing policies. Work and workers are expected to be flexible - housing keeps people anchored. The majority of homeowners in Europe is repaying loans and mortgage which tie them down to one locality for several decades.

Two incomes are needed not only to secure the desired standard of living but also to compensate for the economic risks associated with redundancy and casual work. A breakdown of a relationship with a loss of the second 'buffer' income 'fragilises' single persons and single parents.

More people are expected to work away from the place of main residence and are hence in need of additional accommodation during the working days or periods when they hold casual or contract jobs. It is difficult for couples to move when only one partner changes jobs as they become exposed to greater economic risk, loss of established social contacts and disruptive schooling arrangements for children. Commuting marriages require two dwellings. Meeting needs for such additional 'secondary' accommodation has so far remained controversial on at least two accounts. On the one hand, the public sector does not want to be seen as creating 'dormitories' and eroding urban structures and multiplicity of its functions. On the other hand, the private market tends to overcharge socially weak tenants in order to compensate for risks associated with short-term tenancies and lack of guarantee of rent payment due to precarious employment status.

Many unemployed are reluctant to take risks by moving to another town or area in pursuit of work because there is widespread awareness of the shortage of affordable housing for rent. In the nexus of new labour policies oriented towards flexibility and old housing policies targeted principally at fostering home ownership the Europeans are struggling to find risk reducing strategies.

While welfare systems and their efficacy in lifting people out of income poverty and housing stress differ the nature of the common pressure for reform is remarkably similar.

It is associated with the economic globalisation and the related changes in the type of jobs available and the degree of employment security. It is associated with the common demographic trends, namely population ageing and family dynamics. Under the present system of social and housing protection the worst off are people living alone and single parents. Both household types are expected to grow at accelerating pace in the next half a century or so.

Under the prevailing systems of housing policies and practices the poor are obviously at higher risk of housing stress than the non-poor. However, considerably lower, albeit in many countries significant proportions of non-poor households that experience housing stress may be considered as a relevant indicator that the general housing policy adaptations and reforms are needed. This both in view to alleviate income poverty and poverty related housing stress and to build social cohesion through inclusive society. An inclusive society requires an inclusive housing policy as an integrated facilitating framework for the realisation of the cluster of needs and social rights. The implementation of this framework needs to accommodate the life-course changes in family circumstances and life chances of individuals in transition to adulthood and old age.

The Green Paper “Confronting demographic change: a new solidarity between the generations” published (2005) by the European Commission is (finally) an acknowledgement of the key policy actors that demography matters. How exactly the negative consequences of the past trends are to be offset is still a matter of much debate and controversial views.

It is clear to all that both the main trends in economy (globalization and neo-liberal ideology) and demography (population ageing and prolongation of life expectancy at high age) will require some considerable societal adaptations and adaptations of expectations of individuals regarding work, family life, housing and social protection in general. If social cohesion strategies are to be pursued and if they are to include a strong housing component as a coherent public policy in view of enhancing the social role and the capacity for autonomy at all ages as well as the quality of life of all citizens, the reinforcement of the mediating role of the state, rather than the disengagement of public authorities, may be a desirable way forward towards more population-friendly social policies and practices.

Implications for housing policies may be summarised as follows:

- Housing policies that intend to reach a broad population base need to enhance supportive environment by means of universal coverage. Traditional anti-poverty measures targeted at a small minority of the population leave outside the enabling environment significant numbers of non-poor households experiencing housing stress and other forms of deprivation. Furthermore, they leave out young adults who continue to co-reside with parents and so postpone establishing an autonomous household and family in order to avert the risk of poverty and precarious housing.
- Flexible labour force policies need to go hand in hand with enabling and supportive housing policies that enhance supply of affordable housing for rent in areas where economic growth is associated with increased job demand.

- Housing policies should take into account need of additional accommodation during the working days or periods when people hold casual or contract jobs outside their usual place of residence.
- Housing policies should take into account needs for secondary accommodation for couples that have commuting marriages because one of the partners holds a job away from the place of main residence.
- Housing policies need to provide more generous access to publicly funded or co-funded housing to people living alone and lone parents.
- Housing policies need to enhance opportunities for affordable housing adapted to the needs of elderly people.
- Ambient Assisted Living for the ageing society to extend the time during which elderly people can live independently in their preferred environment with the support of ICTs is a high priority.

Glossary of concepts

Composite Indicator of Housing Stress (CIHS) includes deprivation regarding *lack of housing facilities* (a separate kitchen, bath, flush toilet, hot running water and central heating), *housing disadvantages* (shortage of space, lack of light, lack of adequate heating, leaky roofs, damp walls, and rot in windows), and *housing environment problems* (noise from neighbours, outside noise, pollution and vandalism).

Income precariousness refers to households with less than 60 percent of the equivalised median income i.e. households that are below the low-income level. This indicator includes three income categories: low income (income that lies between 50 and 60 percent of the median equivalised net income), poor (income that lies between 40 and 50 percent of the median equivalised net income and severely poor households (income of less than 40 percent of the median equivalised net income).

The poor: The Council of Ministers of the European Union refers to the poor as: “persons, families and groups of persons whose resources (material, cultural and social) are so limited as to exclude them from the minimum acceptable way of life in the Member State in which they live” (1984). The poverty threshold established is the minimum acceptable well being in the reference society.

Social cohesion relates to the social ties established through economic, cultural, political and civil institutions, and organisations and family and informal networks. Access to resources accessible to the majority of the population, the opportunity and ability to make use of public institutions, and family and informal networks are the pillars of social cohesion in contemporary society. The erosion of one or more of these pillars - due to insufficient material and non-material means available to individuals or social groups, social barriers which prevent particular population sub-groups from accessing employment or other activities, legal or administrative obstacles to access to welfare benefits and social institutions for care and support in situations of vulnerability are all factors associated with deprivation of individuals and groups, and have shown to undermine social cohesion.

Social exclusion is a condition of deprivation that is manifested through the generalised disadvantages facing individuals and social groups due to the accumulation of social handicaps. It is experienced by people as the overlapping of objective deprivation associated with income poverty, with subjective dissatisfaction with their life chances due to a lack of means and limited access or poor participation in several of the most important domains of human activity: education, work, family and informal networks, the consumption of goods and services, communication, community and general public institutions, political life, leisure and recreation. Exclusion is, as a rule, associated with social stigmatisation, an element of blame and isolation, which translate into low self-esteem, the feeling of not belonging and not having been given a chance to be part of society.

Welfare regime refers to a system of public regulation that aims at assuring the well being of individuals and securing social cohesion by means of legal measures and the redistribution of resources.

Selected bibliography

- Atkinson, T. et al. (2002) *Social Indicators, The EU and Social Inclusion*, Oxford University Press
- Avramov, D. (2006) *Policy Review in the area of Social Exclusion and Social Security*, Directorate General for Research, Citizens and governance in a Knowledge-based society. Brussels: European Commission
- Avramov, D. & R. Cliquet (2005) *Integrated Policies on Gender Relations, Ageing and Migration in Europe*, Antwerpen-Apeldoorn: Garant
- Avramov, D., M. Maskova (2003) *Active ageing in Europe*, Strasbourg: Council of Europe Publishing
- Avralov, D. (2002) *People, demography and social exclusion*, Strasbourg: Council of Europe Publishing
- Avramov, D. ed. (1999) *Coping with homelessness: issues to be tackled and best practices in Europe*, Aldershot: Ashgate Publishing Lt., Brookfield USA, Singapore, Sydney
- Avramov, D. (1999) *Background Paper on Access to Housing for Disadvantaged Groups in the Council of Europe Member States*, Strasbourg: Council of Europe
- Avramov, D. Ed. (1998) *Youth Homelessness in the European Union*. Brussels: Feantsa
- Avramov, D. (1997) *Housing and Homelessness, Project Human Dignity and Social Exclusion* (HDSE) 23. Strasbourg: Council of Europe
- Avramov, D. (1996) *The Invisible Hand of the Housing Market*, Brussels: Feantsa
- Avramov, D. (1995) *Homelessness in the European Union, Social and Legal Context of Housing Exclusion in the 1990s*, Brussels: Feantsa
- Beck, U. (1992) *Risk-society*, London: Sage
- Castel, R. (1995) *Les metamorphoses de la Question Sociale en Europe, une Chronique du Salariat*, Paris : Fayart
- Duffy, C. (1996) *Project Human Dignity and Social Exclusion: Work Programme*, HDSE (96) 3. rev. April 10. Strasbourg: Council of Europe
- Edgar, B., J. Doherty and H. Meert (2002) *Access to housing*, Bristol: The Policy Press
- Esping-Andersen, G. (1997) *Welfare States at the End of the Century, The Impact of the Labour Markets, Family and Demographic Change*, Paris: OECD Publications
- ESSPROS (1994) *Social protection expenditure and receipts 1980-1992*, EUROSTAT, Office of Official Publications of the European Communities, Luxembourg
- Eurobarometer, Nos. 52.1, 44.3

European Commission: Final Reports of Research Projects

http://europa.eu.int/comm/index_en.htm;

http://europa.eu.int/comm/research/index_en.cfm

<http://www.cordis.lu/improving/socio-economic/home.htm>

<http://improving-ser.jrc.it/default/>

<http://europa.eu.int/comm/tser1.htm>

Commission of the European Communities (2005), Green Paper “*Confronting demographic change: a new solidarity between the generations*”. Brussels: Communication from the Commission.

Commission of the European Communities (2005), Commission Staff Working Paper “Working together for growth and jobs. Next steps in implementing the revised Lisbon Strategy

Commission of the European Communities (2004), *Third report on economic and social cohesion*. Brussels 18.02.2004. COM (2004)107 final. Commission Communication.

Commission of the European Communities (2003), *Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions. Joint Report on Social Inclusion: summarising the results of the examination of the National Action Plans for Social Inclusion (2003-2005)*. Brussels: 12.12.2003 COM (2003)773 final.

Commission of the European Communities (2002), *Report from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions: Report Requested by Stockholm European Council: Increasing Labour Force Participation and Promoting Active Ageing*. Brussels: Com(2002) 9 final.

Commission of the European Communities (2001), *Communication from the Commission to the Council and the European Parliament on an open method of coordination for the community immigration policy*. COM (2001) 387. Brussels: Commission of the European Communities.

European Commission (1999) *Active Ageing: Promoting a European Society for All Ages*, Employment and Social Affairs DG, European Communities, Brussels

European Commission (1999) *Five years of social policy*, Forum special, Employment and Social Affairs

European Commission (2000) *Social Protection in Europe 1999*, Directorate General for Employment and Social Affairs, Office for Official Publications of the European Communities, Luxembourg

European Commission (2001) *Researching Family and Welfare from an International Comparative Perspective*. Papers presented at a dialogue workshop held in Brussels on 14-15 June

European Commission (2001) *Social Protection and employees' resources: who pays*. Proceedings of a conference held in Brussels on 17-18 January

EUROSTAT (1996), *The European Community Household Panel (ECHP) Survey Methodology and Implementation*, Volume 1, Luxembourg: Statistical Office of the European Communities

- EUROSTAT (2000) *European social statistics, Social protection, Expenditure and receipts 1980-1998*, European Commission
- EUROSTAT (2000) *European social statistics, Income, poverty and social exclusion*, Office for Official Publications of the European Communities
- Gallie, D. S. Paugam (2000) *Welfare Regimes and the Experience of Unemployment in Europe*, Oxford University Press
- Giddens, A. (1991) *Modernity and Self-identity: Self and Society in Late Modern Age*. Oxford: Polity Press
- Habermas, J. (1996) *Between Facts and Norms*, Cambridge: Polity
- Herpin, N. (1993) L'urban underclass chez les sociologues américains : exclusion sociale et pauvreté. *Revue française de sociologie*, n°3, p. 421-439.
- Kofler A., D. Avramov, L. Giorgi (2000), *European Housing Policies Compared*, EUROHOME-IMPACT working paper
- Matthijs, K. ed. (1998) *The Family, Contemporary Perspectives and Challenges*, Leuven University Press
- McIntosh, S. et al. (1999) Review of literature on Precarity, Poverty and Social Exclusion in Seven European Countries, BETWIXT, *Between integration and exclusion: a comparative study in local dynamics of precarity and resistance to exclusion in urban context*, EU Socio-economic research, Project report, European Commission
- MISSCEO (2000) *Mutual Information System on Social Protection in the Council of Europe*, Strasbourg: Council of Europe Publishing
- MISSOC (2000) *Social protection in the EU Member States and the European Economic Area*, European Commission
- OCDE (2001) *Panorama de la société, les indicateurs sociaux de l'OCDE*. Paris: OECD
- OECD (2001) *Society at a Glance, OECD Social Indicators*, Paris: OECD
- Paugam, S. ed. (1996) *L'exclusion : l'état des savoirs*, Paris : La Découverte
- Pinnelli, A. et al. (2001) *Fertility and new types of households and family formation in Europe*, Population studies No. 35, Strasbourg: Council of Europe Publishing
- Population Index <http://library.massey.ac.nz/db/populationindex.htm>
- Rodgers, G. C. Gore, J.B. Figueredo (eds) (1995) *Social Exclusion: Rhetoric, Reality, Responses*, Geneva: International Institute for Labour Studies, United Nations Development Programme
- Room, G. ed. (1995) *Beyond the Threshold*, Bristol: Policy Press
- Roussel, L. (1989) *La famille incertaine*, Paris : Editions Odile Jacob
- Till, M. (2002) *What Determines Housing Integration on a Micro-level? - The Impact of Welfare Regimes and Social Transfers*, EUROHOME-IMPACT Deliverable 2, ICCR, Vienna

Tosics, I., S. Erdosi (2001) Access to Housing for Vulnerable Categories of Persons. Group of Specialists on Access to Housing. CS-LO (2001) 17 rev. Council of Europe, Strasbourg

Annex Table .6. Housing stress by household type and income precariousness, by country (ECHP 1996-1998)

Country	Household type	Housing stress	
		Households in income precarious conditions	Non poor households
Belgium	One person household	32	17
	Couple without children	17	9
	Couple with children	15	10
	One parent family	30	19
Denmark	One person household	15	9
	Couple without children	3	5
	Couple with children	15	2
	One parent family	25	5
Germany	One person household	17	7
	Couple without children	8	5
	Couple with children	13	8
	One parent family	16	11
Greece	One person household	61	35
	Couple without children	40	25
	Couple with children	43	26
	One parent family	43	33
Spain	One person household	27	23
	Couple without children	20	16
	Couple with children	26	18
	One parent family	35	33
France	One person household	32	12
	Couple without children	26	15
	Couple with children	28	7
	One parent family	12	4
Ireland	One person household	21	8
	Couple without children	5	4
	Couple with children	16	5
	One parent family	40	3
Italy	One person household	35	19
	Couple without children	35	13
	Couple with children	29	14
	One parent family	41	17
Luxembourg	One person household	6	9
	Couple without children	12	6
	Couple with children	9	5
	One parent family	30	2
Netherlands	One person household	31	14
	Couple without children	16	7
	Couple with children	17	7
	One parent family	14	11
Austria	One person household	18	10
	Couple without children	8	7
	Couple with children	24	6
	One parent family	27	7
Portugal	One person household	69	51
	Couple without children	49	34
	Couple with children	49	32
	One parent family	75	46
Finland	One person household	25	12
	Couple without children	21	7
	Couple with children	12	4
	One parent family	31	10
UK	One person household	12	12
	Couple without children	11	7
	Couple with children	29	8
	One parent family	29	13

Source: Avramov 2002