The Dog that didn’t Bark

Social Housing in European Peripheries

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Kristin Makszin, Dorothee Bohle and Leonard Seabrooke

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1. Introduction

The global financial crisis has ushered in a major housing crisis in many European countries: severe shortage of affordable housing, high rates of housing deprivation especially in Europe's East, over-indebted homeowners, massive evictions in some Southern European countries, and increase in homelessness are the symptoms of the re-emergence of the "housing question" (Engels 1872). To a large extent, the current housing crisis reveals the failure of past policies, which saw the solution to affordable housing in privatization of housing, securitization of mortgages and "financial inclusion" of poorer people via the relaxation of borrowing standards, and subsidization of "subprime" lending. Given the extent of the housing crisis, there is scantly a clearer time to expect social housing to be high on the political agenda. However, in many cases the housing policy response to the crisis in Europe tended to reflect pre-crisis policy ideas and recipes, rather than shifts towards an increased emphasis on social housing.

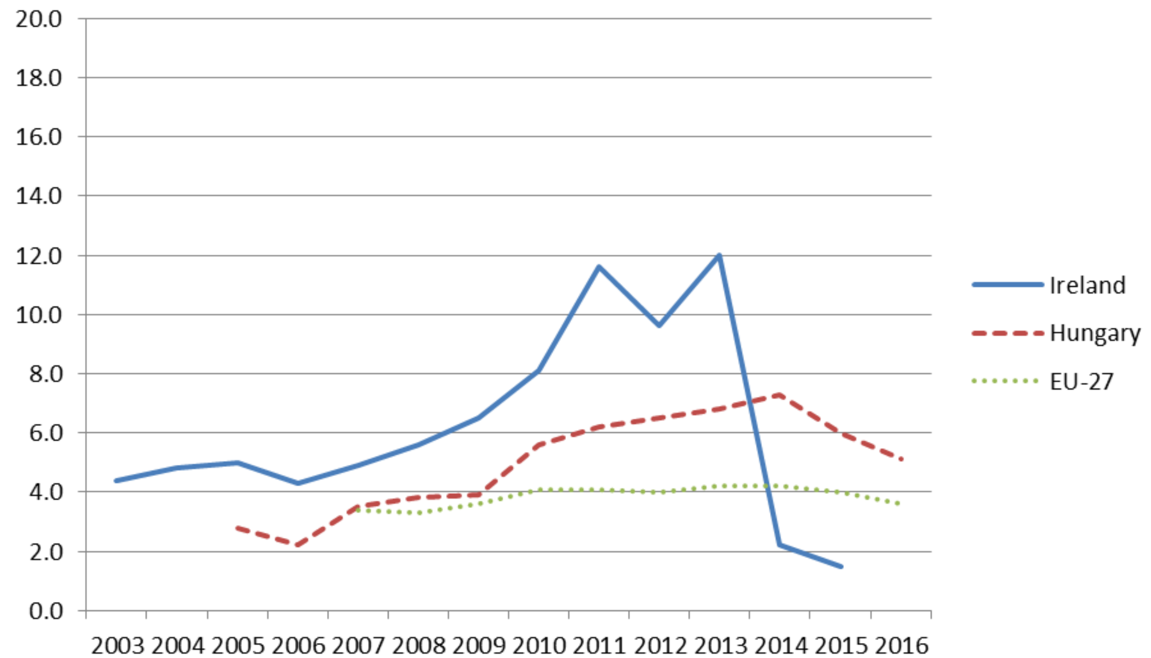
This paper investigates the neglect of social housing in post-crisis Hungary and Ireland, two peripheral European countries particularly hard hit by the housing crisis. We investigate how governments in both countries frame the housing question, and how they strategically use the issue of housing to build or sustain social coalitions around housing that systematically exclude the most precarious households. Following Jabko's (2016) strategic constructivism, we argue that housing policy represents a marketplace of ideas. Policies that address housing issues may be about housing as an asset, a social right, or patrimony. The pre-crisis policies have seen the ascent of the housing as an asset frame, and empowered coalitions of banks, homeowners, developers and the construction industry. While we see changes in the dominant frame – or policy paradigm -, no government has fully returned to the housing as a social right frame. Rather, a thorough review of the social housing policy reforms and new housing programs reveals policies that continue to primarily cater to the existing housing coalitions. To put it differently: while there were significant *housing* policy responses to the crisis in Hungary and Ireland, these did not target the most vulnerable segments of the population and focused on mortgage relief or support for existing homeowners. While policies actively supported the previous beneficiaries of housing policy before the crisis, they largely excluded the most vulnerable households.

The paper is structured as follows. In the next section, we summarize the housing needs and structures of housing systems in Hungary and Ireland in the wake of the crisis. In section three, we present our analytical framework. The fourth section presents case studies of social policy after the crisis in Hungary and Ireland, also including relevant policies from before the crisis. We show the consistency of housing as an asset and patrimony in each case and link this to the pre-existing beneficiaries of housing policy. Finally, we conclude and offer insights for future research.

2. Housing needs and housing expenditure

There is clear evidence of acute housing needs in Hungary and Ireland in the wake of the crisis. In this section, we briefly present a few indictors to shed light on the dynamic housing need in Hungary and Ireland. Figure 1 shows the share of households with mortgage or rent arrears. A very sharp increase is visible in Ireland between 2008 and 2011. Hungary also experienced steady increases in the share of households not making payments in time from 2006 to 2014.

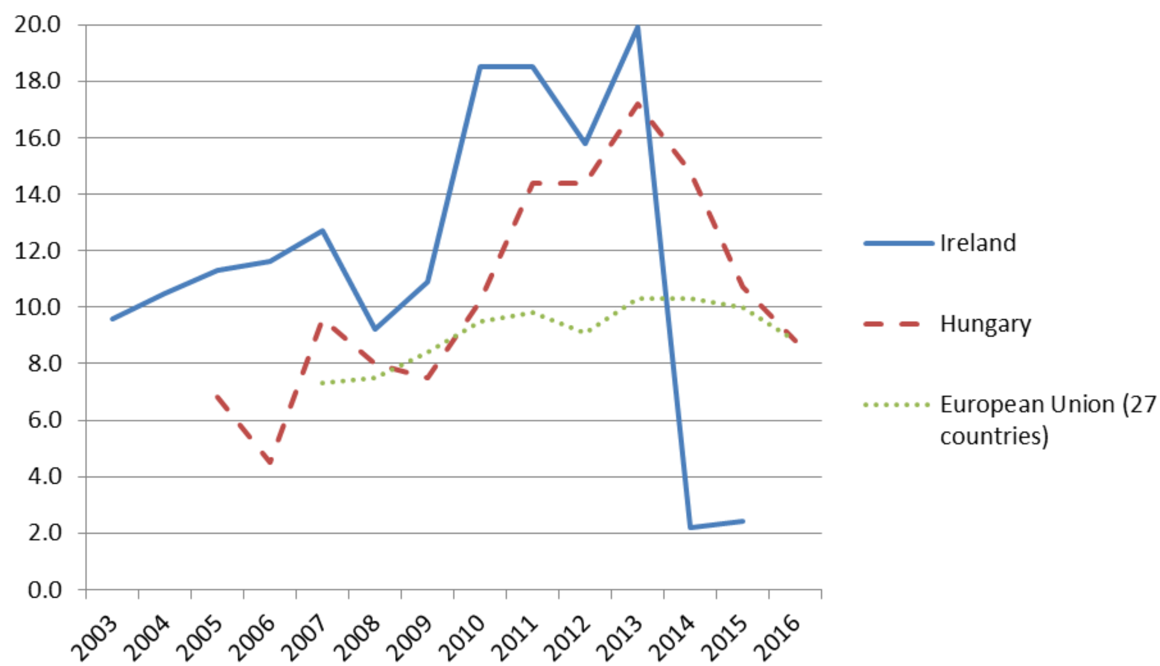
Figure 1: Percentage of households with mortgage or rent arrears, 2003-2016



Source: EU-SILC

The instances of arrears among low income households was greater, as shown in Figure 2.

Figure 2: Percentage of households with mortgage or rent arrears for households with income below 60% of median equivalized income, 2003-2016

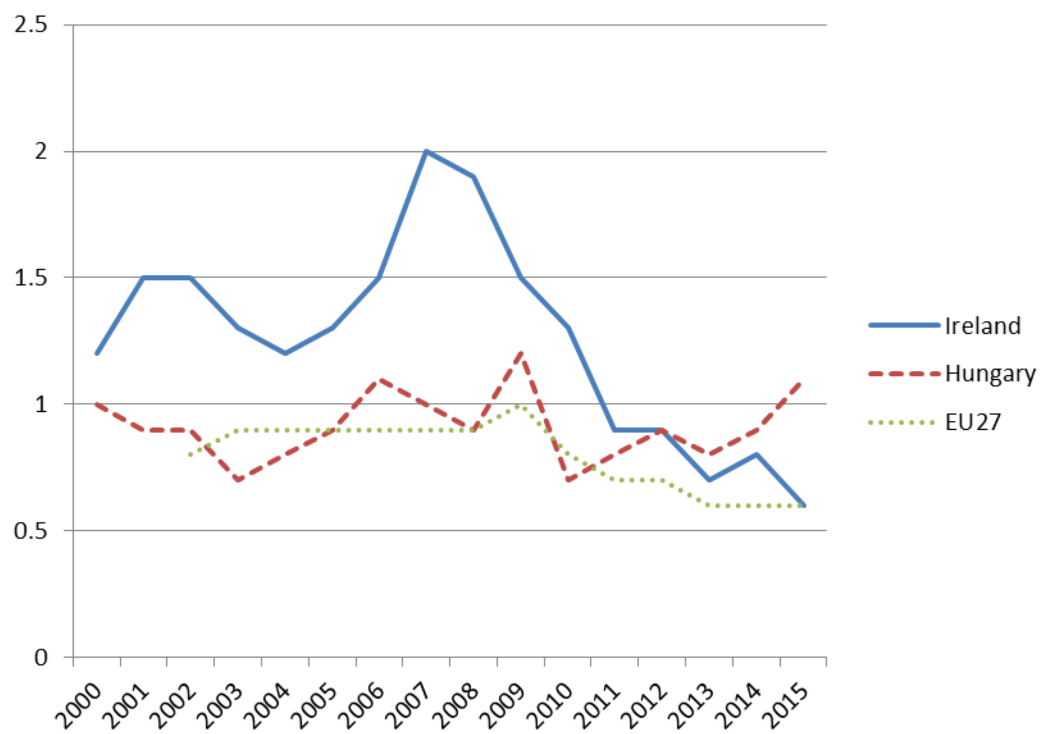


Source: EU-SILC

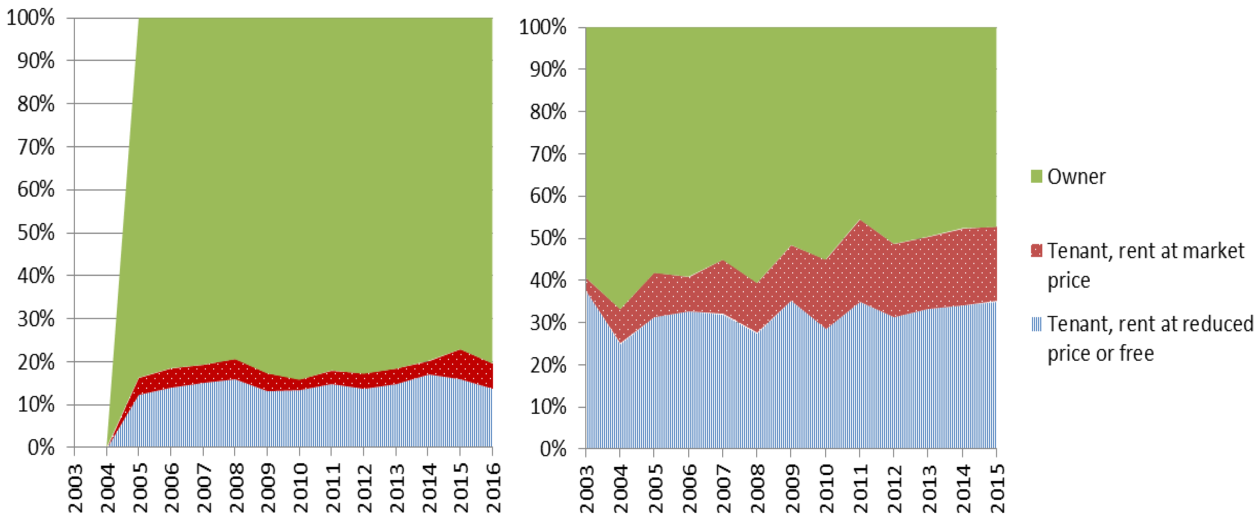
In Hungary, lower income households were significantly affected by the crisis. While the policy solutions in Ireland reduced the instances of arrears for all income categories, in Hungary, lower income households still have high rates of arrears.

Figure 3 summarizes the government spending on housing policy as a share of GDP. The figure shows that government spending on housing increased significantly in Ireland during the crisis. However, this increase did not break the secular trend of declining spending. In Hungary, the expenditure has been relatively steady, but there is a marked decrease in 2009 as a part of austerity packages and an increasing trend since the second Orbán government took office in 2010. This demonstrates that housing policy has become more salient again, but very little attention is given to social housing as will be outlined in the case studies later in the paper.

Figure 3: Housing expenditure as a share of GDP from 2000-2015



Source: Eurostat



While both Hungary and Ireland are characterized by high homeownership and limited rental markets, social and private rental markets have expanded in Ireland. Figure 4 shows the share of households that are owners, renters at market price, or renters below market price, meaning living in social rental housing.

Figure 4: Share of low income* households owing, and renting at or below market price in Hungary (left) and Ireland (right) (*meaning below 60% of median equivalised income)

Source: EU- SILC

The figure shows that in both countries a majority of low income households were homeowners for the entire time period. There is almost no change in the rental markets in Hungary, whereas in Ireland there is a clear trend of low income households shifting from homeownership into rental markets, including social and private markets. We will explore this shift in the case study later in the paper.

3. Strategic constructions of frames in a multifaceted policy area

To understand when and whether social housing was a politically salient issue, we investigate the coalitions of actors around the existing housing paradigms (Hall 1993). We argue that the dominant frame for housing helps governments to forge coalitions of actors that "strategically construct" housing policy (Jabko 2006). Given the multiplicity of frames for housing policy presented below, we argue that a diverse range of options exist for strategic coalitions that can influence the type of social housing programs that are available. Thus, although social housing seems to be most logically connected to the housing as a social right frame, alternative approaches to social housing exist that relate to housing as an asset and even housing as patrimony (Allen et al. 2004, Norris 2016). Like Hegedűs, Lux, and Teller (2014) , we understand social housing to be any program that supports "those who would not otherwise be able to afford an acceptable standard of housing" (Hills 2000, 1).

To understand the policy response to housing crises, we first define three possible frames for housing and consider the relevant actors that may form a strategic coalition (see Table 1). The first is housing as a social right, which assumes that access to decent housing for all members of society is an obligation of the state. This paradigm still recognizes the primary role of markets for distributing housing, but it is based on egalitarian values and necessitates state intervention to secure housing for those who are unable to obtain it on the market. This paradigm essentially shaped Scandinavian post-war policies (Christophers 2013). On the opposite extreme is housing as an asset, which emphasized individual property rights and the efficiency of markets for distribution. State intervention would be generally to increase homeownership. Ownership of a home is expected to offset the risk of unemployment, sickness, and poverty in old age and this is a core aspect of asset-based welfare. Policies that align with the housing as an asset framework would protect private property and privatize homeownership. The housing as a social right policy frame aims to control housing markets, whereas the housing as an asset frame aims to encourage development of private markets and incentives. Housing as patrimony is where the state is less involved in housing policy and families are the only form of dependable support to those in vulnerable housing situations. Property is inherited from family or family support enables the acquisition of new housing. Like housing as an asset, high homeownership is likely due to the priority to keep property in the family. Families are valued as a stabilizing force in a rapidly changing world and this frame subscribes to traditional conservative values. These are ideal types and clearly the real-existing housing policy of a country may adopt different logics for different policy approaches.

Table 1: Housing policy paradigms

	Housing as a social right	**Housing as patrimony**	**Housing as an asset**
Paradigm	An acceptable standard of housing is a necessary condition of full membership of the community. Policies thus need to secure that all citizens find decent housing Theoretical roots: Marshall, Labor Movement, Social Democracy	Housing is strongly associated with family heritage. It is not something to be sold and bought on the market, but something that the family preserves and keeps Theoretical roots: strong family orientation of Catholic Doctrine, traditional conservativism	Housing is a store of wealth and a reserve of cash that allows to hedge against the risks of unemployment, sickness and poverty in old age, and provides resources for additional consumption Theoretical roots: neoliberalism (e.g. Hayek; World Bank 1993)
Programs	e.g. state-regulated finance of housing production, tenure legislation, rent control, non-profit organizations responsible for housing management, housing subsidies	e.g. promotion of private homeownership, tax incentives for family ownership, self-help housing as patrimony testifies to a general deficit of stateness	e.g. privatization of housing, deregulation of mortgage-finance markets, establishment of credit scores, taxation geared towards home ownership, debtfare policies
Frames	e.g. intervention in the market is necessary to secure decent housing for all	e.g. appealing to family values, stressing the trinity of family, patrimony and home ownership, appealing to conservative values and stability in a rapidly changing world	e.g. financial inclusion, financial democratization, asset based welfare

Source: (Bohle and Seabrooke 2017)

The existence of multiples frames for housing means that policy-makers have flexibility in the alternative framings for housing. Housing policy impacts a distinctly diverse range of actors, including homeowners, renters, homeless people, banks, developers, the construction industry, investors, landlords, and more. We aim to detect the main beneficiaries of housing policy approaches to understand how their diverse motivations match different frames for housing. We apply Jabko's understanding of a political strategy as "a socially constructed method of collective action that brings together actors with diverse motivations" (Jabko 2006, 26). We detect coalitions between actors that promote specific approaches to housing policy and often these actors have different end goals, but agreement on an intermediate goal. For example, increasing access to homeownership for families may fit with the long-term goals of housing as an asset or housing as patrimony. Jabko argues that the market was "invoked to legitimize a surprisingly wide range of policies" in the integration of the European Union (Jabko 2006, 30). Similarly, we claim that promotion of social housing can imply a diverse range of policies, depending on the coalition of actors behind it and the dominant frame for housing.

We would expect strengthening of social housing policy that includes primarily public housing options only when the groups with the most precarious housing situation, usually low income households, are included in the strategic coalitions that frame housing policy. In our empirical case studies, this rarely occurs. As we will demonstrate in the following section, the systematic exclusion of these most vulnerable groups and the lack of a proxy to represent them implies that public housing options remain absent. Rather the strategic coalitions form between existing homeowners, banks, developers, and the construction industry that fundamentally shape social housing through the lens of housing as an asset or housing as patrimony. While the social right paradigm seems to be most closely related to social housing, the alternative framings dominate and as we will show persist even when the housing systems are rattled by crisis.

4. Case studies: Social housing policy responses in Hungary and Ireland

In this section, we summarize the social housing policy responses to the crisis in Hungary and Ireland. To structure our case studies we systematically investigate *which actors* shape housing policies, what is the *policy approach*, and which *frame* for housing that reflects. We identify the strategic coalitions in housing policy more broadly and how this shaped the presence or absence of social housing policy. We focus on the development in social housing policy after the crisis, but also outline the existing programs to provide contexts. One important difference between the two cases is degree of centralization of housing policy. Responsibility for social housing in Hungary was decentralized in the early 1990s leaving the funding of social housing largely up to municipalities, whereas in Ireland there is a Housing ministry that guides housing policy and works together with local governments.

Hungary

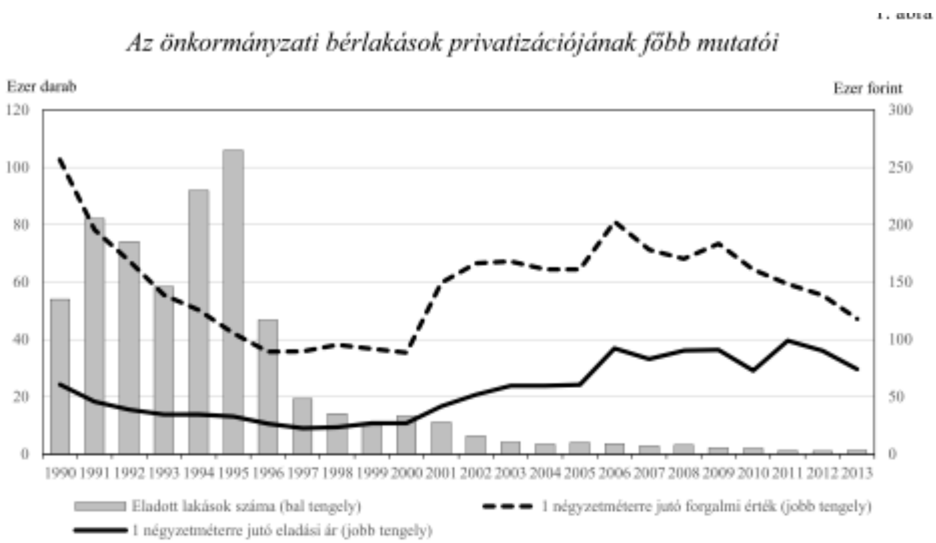
Hungarian housing is characterized by very high homeownership rates and limited rental market. Social housing units in Hungary were managed by local governments and have largely been privatized since the 1980s. After the breakdown of communism, Hungarian housing policy gradually shifted towards the paradigm of housing as an asset (Bohle and Seabrooke 2017). Since the crisis, the primary housing programs have been mortgage support programs (reflecting housing as an asset), especially those that focused on housing for families (reflecting housing as patrimony). Although these programs were politically framed as social housing programs, they mostly targeted more affluent households, homeowners, and the construction industry.

The asphyxiation of social housing: Local government public rental program

Rental housing, even in private hands, is so limited that low income households lack secure alternatives to buying their own home. The program that most clearly resembles a social housing program was a system of rental apartments owned by local governments and leased to households in need. The rent was below market rates, but the precise level was decided by the municipality as there were no centralized rent controls. The local governments were responsible for maintaining the housing units and generally had insufficient funding to cover the costs (Vigvári 2008). This produced a double incentive for local governments to sell the apartments off, as they did not have to pay maintenance costs and obtained some revenue from the sale (Dániel 1997). Public housing rentals represented 23% of dwellings in 1990, but due to privatization this was down to 4% by 2001 (Hegedüs, Lux, and Teller 2014, 15). There was a policy to add 10,000 new apartments in 2000, but given the dominant trend of privatization, this did not make a significant impact (Csizmady and Hegedus 2016, 15). The apartments were sold, usually to the occupants, at well below half of their market prices (Czirfusz and Pósfai 2015). The remaining municipality-owned apartments are mostly in cities.

The figure below shows trends in privatization of the municipal housing stock. The bars indicate the number of municipally owned apartments that were sold. The dotted line shows the average market value of the municipality-owned apartments that were privatized and the solid line shows the average price obtained when the apartments were privatized.

Figure 5:



Megjegyzés: A forgalmi érték és az eladási ár 2013-as forintban kifejezve.
Adatok forrása: KSH (2014) Lakásstatisztikai Évkönyv, KSH Stadat. http://www.ksh.hu/docs/hun/xstadat/xstadat_hosszu/
_qsf001.html

Source: (Czirfusz and Pósfai 2015, 486)

The large sale selling off of the municipal housing stock supported the dominance of homeownership and left very limited options for the households without secure funding. This process generated new homeowners, but limited the opportunity for future social housing programs, as the privatization reform is one that is difficult and expensive to reverse. So while this program still exists, its impact after the crisis was bound to be extremely limited unless a major reform took place. No such reform occurred in the area of public housing. The housing policy that did exist in the aftermath of the crisis was targeted towards homeowners with foreign denominated loans and families, as summarized below.

Mortgage support systems

The goals of the mortgage support systems were multifaceted, ranging from pronatalist policy to development of financial markets and promotion of the construction industry. The program introduced by the Fidesz government after the crisis (CSOK) reflected the logic of the first mortgage support system introduced in 2000 (szocpol), which is why we discuss these programs together in this section. The programs were clearly not designed to target the households with the most vulnerable housing situations, which corresponds to the middle class oriented welfare approach of the Hungarian conservative party that introduced most of these programs (Buskó 2016). The beneficiaries of these programs included (mostly middle and upper class) families, banks, and construction companies. The political framing of these programs suggest that they are the closest match to a social housing program in Hungary. In fact, precisely the strength of the beneficiaries of this mortgage support approach to housing policy explains why programs supporting more vulnerable and lower income groups are essentially neglected.

The introduction of a generous housing loan subsidy program, starting from 1999 under the first Orbán government, was the first major mortgage support system. It included grants for young families to build or buy homes. The program allocated substantial resources for interest rate subsidies on long-term mortgage loans at first only for new houses, but later for existing dwellings as well. In addition, people who took a housing loan also received income tax exemption (Hegedüs 2011, Nagy 2015). Combining all the mortgage supports and tax exemptions, the support covered 50-70% of the mortgage (Csizmady and Hegedus 2016, 15). Beneficiaries of the program were (upper) middle class families, but one of the policy adviser active in designing the program claimed that trickle down effects should benefit low income families indirectly as they can move into the homes that the better off families moved out of thanks to government support.[1]

Though there was some variation in the precise conditions of the programs, the family-based mortgage support systems by both the right and left governments emphasized support for (upper) middle class, young families to build or buy new homes. The program introduced by the left government from 2002-09 ("Nesting" program, "Fészekrakó program") also included some rental support for low income families, but the impact of the program was limited by the fact that the rental market in Hungary is mostly informal and landlords would be required to pay tax on the income generated by renting the apartment through a social rental program. However, this program was suspended as a part of a broad

[1] Original quotation: "In society some chain effects can emerge that are triggered by a well-off family moving out of their home. This decision implies that a slightly lower status family can move into their 'place' for whom the apartment represents an improvement in living conditions" (László Mádi as quoted in Buskó 2016, 111)

austerity reform in 2009. The new Orbán government that came to power in 2010 essentially replicated the housing policy of the first Orbán government (Hegedüs 2017). Pronatalist logic was even more evident as the CSOK program introduced in 2015 targeted families with at least three children. In additional to mortgage support systems, the government waived VAT tax on building materials for families that qualified. These programs encouraged the purchase or building of new housing units, which were clearly aligned with the interests of the construction sector. After much political debate and public backlash, some limited benefits were given to families with less than three children or for used apartments, but the scale of the benefits was substantially lower.

Support for households with foreign currency denominated debt

Since the crisis the most pressing housing policy has been programs to support households with foreign denominated loans who suddenly faced escalated levels of debt. Foreign denominated mortgages represented 70% of the mortgage portfolio (Housing Europe 2015). The policies included a moratorium on foreclosures, a National Asset Management Company to buy up properties that faced default, schemes for early repayment or setting a maximum loan rate, forcing banks to accept conversion of debt to Hungarian forint, and more (for a comprehensive summary, see Csizmady and Hegedus 2016). The beneficiaries of these programs were suddenly very vulnerable based on the exponential growth of debt levels due to exchange rate changes. However, these were not necessarily low income households. One main strategy was to enable households to pay off the debt in full on relatively favorable terms. This option was clearly more feasible for higher income households and about 20-25 percent of households holding foreign-denominated debt utilized this option (Hegedüs 2017, 95). The lowest income households that also held foreign-denominated debt generally had years of accumulated arrears and insufficient resources to pay off the loan, even with a favorable exchange rate. The Orbán government's main approach was that (foreign-owned) banks should bear the burden of responsibility and (upper) middle class household should be relieved of the debt burden.

The range of policy options also included programs for lower income households. The National Asset Management Company (NAMC) bought delinquent loans and the rented the apartments to the former owner at below market rates with the option to buy back the home in five years. The program gave priority to families with children. One issue was that 30 percent of the participating households could not afford the reduced rate of rent due to being completely overwhelmed with debt (Hegedüs 2017, 96). Another policy response that most closely resembled a social housing response was the construction of a public housing community in Ocsa, south of Budapest. This housing was intended to help households who lost their homes due to foreclosures. However, very few people moved into these housing units, as the transportation from this site to Budapest is difficult. The cost efficiency of the program was disastrous (helping about 40 households burdened by foreign-denominated debt) and the space rather became an emergency shelter for people whose homes were destroyed in natural disasters. The choice to build a new public housing facility rather than rental support for households to move into existing apartments again indicates a preference to support the construction industry.

Framing the policy choice

The decision to *not* support social housing or the rental market is explicitly justified by government officials. The framing suggests a strategic coalition with existing homeowners and economic actors. The economic actors are not named specifically, but based on the policy design it is clear that the program has the interests of the construction industry and upper middle class families at its core. When asked about social rental housing during a parliamentary debate, the Minister for the National Economy, András Tállai said, “The government prefers house creation programs [over building social housing units], and that is why we created CSOK, because for some reason Hungarian people like to live in their own homes, rather than in other people’s”[2]. This confirms that any housing policy of the current government will aim to support homeowners who are indeed in the majority, but this leaves little options for vulnerable households without access to homeownership. When Prime minister Orbán described the motivation behind the CSOK program, he said, “Regarding housing development, this policy is simultaneously a family benefit and an economic growth stimulus”[3] (“Orbán Viktor Napirend Előtti Felszólalása” 2016). These statements demonstrate that the exclusion of the most vulnerable population is an explicit political choice, which helps explain the lack of social housing programs that benefit low income households. .

Furthermore the policy choice to support new buildings indicates strong support for the construction sector, which is made up of primarily of Hungarian small and medium sized enterprises, which is consistent with the Orbán government’s unorthodox approach deemed “financial nationalism” (Johnson and Barnes 2015). The mortgage support systems from the 2000s and after the crisis also benefit banks by increasing the number of mortgages, but explicit preference was given to domestic banks over foreign ones. The coalition with the construction industry and domestic banks was explicitly stated by government representatives (See for example: “Parliamentary Debate on Housing Creation Program” 2016). The government could legitimize their approach housing and the absences of the model of housing as a social right was unproblematic, as their approach explicitly combined housing as an asset and housing as patrimony. This clearly reflects the coalition between middle class homeowners, the construction industry, which persisted before and after the crisis.

Ireland

In the decades before the crisis, Ireland also exhibited high homeownership rates (though not as high as Hungary) and a family based model of residential capitalism, which treats housing as patrimony. Historically access to mortgages and the rental market were both highly restricted, which implied major dependence on families. Since the early 19th century, many programs supported households becoming homeowners, such as the “right to buy” social housing units at reduced prices (Norris 2016) . There have been some important shifts in Irish social housing reducing the dominance of homeownership and slight increases in rental market. Over the past twenty years, there have been decreases in homeownership

[2] Original text: “Ami pedig a lakásépítési programot illeti, a kormány gondolkodása a következő. Tehát először is a sajátotthon-teremtési programokat preferálja, ezért hozta létre a CSOK-ot, mert a magyar ember azt szereti valamiért, hogyha nem a máséban lakik, hanem a sajátjában. Erre való a CSOK. 2016-ban 36 ezer család jelentkezett, 87 milliárd támogatást igényeltek.”

[3] Original text: “Ami az otthonteremtést illeti, ez egyszerre családtámogatás és gazdasági növekedést ösztönző lépés.… Az otthonteremtésnél a magyar kormány álláspontja az, hogy azt kell támogatni, azt kellene támogatni, hogy a magyar családok saját lakáshoz juthassanak. Szeretném, ha az otthonteremtés ügye nemzeti üggyé válna itt, a parlamentben is. Bár voltak viták itt, a parlamentben és a közéletben általában, de az elmúlt öt évben sikerült jó néhány kérdést nemzeti üggyé tenni, mint a gyermekes családok támogatása, a munkahelyteremtés vagy a rezsicsökkentés. Örülnék, ha az otthonteremtési rendszer támogatása is csatlakozna ehhez a sorhoz.”

rates from 78 percent in 2005 to 70 percent in 2015 (European Mortgage Federation 2017, 33) and a growth in both private and social rental markets. While these shifts are significant, we claim that preferential treatment of homeowners still defines Ireland's social housing policy.

Assistance leading to homeownership

In the decades before the crisis, the primary concern was affordability of housing due to rising home prices. The social housing policy primarily focused on enabling low income households to also have access to homeownership. The Irish model of "socialized homeownership regime" involved a wide range of programs to supported transition to homeownership (for a comprehensive summary, see Norris 2016). This included making mortgages more accessible in the 1980s and 1990s and support for people in government sponsored housing programs to become homeowners in earlier waves of selling off government housing at low prices in the 1990s. For example, the Shared Ownership Program, introduced in 1991 and expanded several times, enabled low income households to select a home for purchase, which was purchased by local authorities and the beneficiaries lived in the home and made payments to the local authorities gradually shifting the equity to the beneficiary over the course of 25 years until they reached full homeownership (Norris and Winston 2003, 57). There was also a Mortgage Allowance Scheme, which gave financial incentives for households in social housing units to buy housing on the private market. This implied that many of the beneficiaries of social housing programs became homeowners, as was the case in Hungary through the privatization of social housing. This meant that at the onset of the housing crisis in both countries, the interests of households facing housing insecurity were fragmented as some already became homeowners, whereas others remained dependent on (social) rental markets or other precarious housing arrangements.

These schemes supported a large number of household representing 29 percent of total buyers between 1991 and 2002, the period before the property bubble (Norris, Coates, and Kane 2007). As the supports for socialized homeownership became more targeted, private banks stepped in and expanded lending, including to low income households. There was a general lack of regulation on mortgage lending, which facilitated easy access to mortgages and the housing bubble. One enabling factor for this high risk model was a "cozy relationship" between the main banks, the Fianna Fáil party, and property developers (Dellepiane, Hardiman, and Las Heras 2013) . This period represented a shift from housing as patrimony to housing as an asset model.

Social rental market

The programs supporting socialized homeownership were abolished in 2011 as a part of broader austerity measures. For a few years housing policy focused on managing widespread foreclosures. The levels and risks of homelessness increased sharply, which represented a return to dependence on families (Bohle and Seabrooke 2017, 19). There was also a notable policy shift to put an emphasis on social rental housing (see Figure 4 above). Support for social rental housing may be framed as a major policy shift in Irish social housing, but a closer examination reveals that even these policies are market oriented and benefit homeowners and property developers. This is because rather than public social housing, the program predominantly provided rental support for housing rented on the private market (Finnerty, O'Connell, and O'Sullivan 2016; "Rebuilding Ireland: Action Plan for Housing and Homelessness" 2016). This is clearly a market-oriented approach to social housing provision and the design of the policies benefits private homeowners (landlords) and developers. The expansion of social housing stock through the Social Housing Current Expenditure Programme (SHCEP) program introduced in 2009 increased the number of long-term leases for private homes. Additional programs also offered incentives for investors to buy property for renting out, such as Interest Deductibility for Landlords where landlords can deduct interest paid on loans from the rental income before paying taxes.

Table 2: Overview over Irish housing support schemes

Overview of Housing Support Schemes

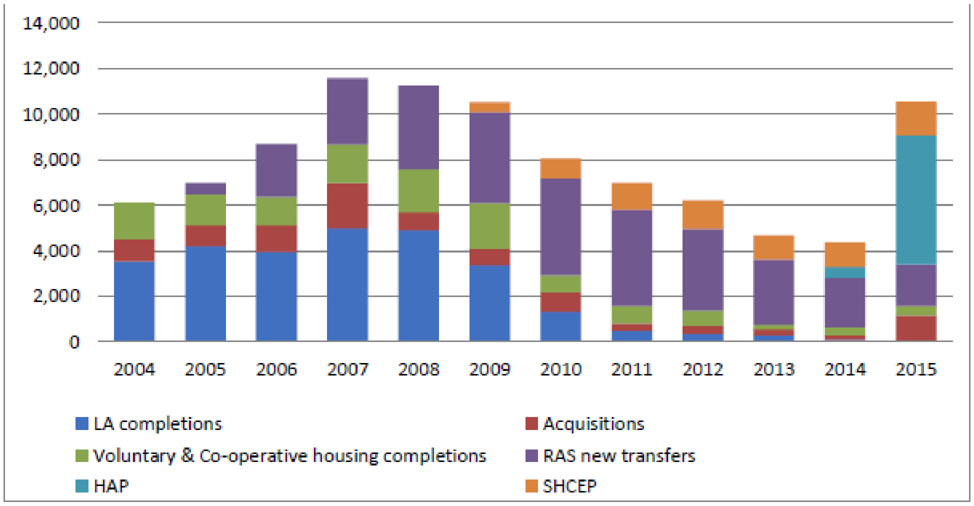
The housing supports discussed here differ in a variety of ways and can be briefly summarised as:

HAP	Social housing support introduced on a phased basis since 2014 and available nationally since March 2017. Tenant sources accommodation and Local Authority (LA) pays property owner directly. Tenant can work full time unlike Rent Supplement. Tenant pays differential rent.
RAS	Introduced in 2004. Social housing support for long term Rent Supplement recipients. LA sources accommodation and pays property owner directly. Tenant pays differential rent.
Leasing (SHCEP)	Leasing scheme for social housing introduced in 2009. LA or Approved Housing Body (AHB) sources accommodation and enters in to medium/long term lease for use as social housing. Tenant pays differential rent.
Rent Supplement	Income support provided by the Department of Social Protection for certain people living in rented accommodation. Payment directly to tenant who sources accommodation and enters into tenancy agreement. Tenant's contribution subtracted from payment.

Source: (O'Callaghan 2017, 2). HAP: Housing Assistance Payment, RAS: Rental Accommodation Scheme, SHCEP: Social Housing Current Expenditure Program,

Figure 6 below shows the development of social housing provision in Ireland. It shows that during the crisis, overall social housing provision has ***decreased,*** and local authorities have almost completely withdrawn from public housing provision. It is only in 2015 that – mostly as a result - of the new Housing Assistance Payment that social housing provision has increased again. The supply of social housing is almost exclusively provided by private landlords, financed by publically administered support schemes.

Figure 6: Social housing provision, 2004-2016



Source: DHPCLG (2016) statistics. *Report of the Committee on Housing and Homelessness*, June 2016.

Quoted in (O'Callaghan 2017, 2)

The housing crisis indeed recalibrated Ireland's approach to social housing and made the expansion of the rental market an explicit policy goal. While this is a significant shift, the policy mechanisms utilized to expand social housing clearly reflect the long-standing coalition between banks, existing homeowners, and developers. Significant incentives were offered to encourage investment in property, which benefits landlords, banks (through increased lending), and the construction industry. There are clearly more meaningful benefits for low income, vulnerable households, especially when compared to Hungary. However, the post-crisis promotion of social housing actually fit quite well within the housing as an asset paradigm given its focus on investors. Therefore the strategic construction to frame housing as an asset persisted despite rather significant programmatic changes.

5. Conclusion

In 2017, almost a decade after Ireland's housing boom turned bust, the Irish Minister for Housing describes the country in a grip of a housing crisis.[4] In Hungary, meanwhile there is a deafening silence about the fact that the country has the second highest rate of severe housing deprivation in the EU after Romania.[5] These grave facts notwithstanding, housing policies are still largely shaped by governments that rely on pre-crisis coalitions of homeowners, the construction industry, developers, and banks. Housing policies are framed in terms of families, or asset preservation. There is a surprising stability of social housing approached even in the wake of the housing crisis. Even when we detect meaningful policy shifts, such as the promotion of social rental markets in Ireland after 2009, the dominance of the

[4] http://www.thejournal.ie/factfind-social-housing-ireland-september-2017-3595887-Sep2017/

[5] Social Europe 2016, Report on Hungary, prepared for ENLIGHTEN work package 3.

housing as an asset paradigm is evident in the approach to social housing, which focused on expansion of private sector rentals. One major difference between the two cases is that most rentals in Hungary are not officially recorded. This means that policies to encourage landlords or to expand the rental sector failed, as they never offered a more appealing arrangement than remaining in the unofficial economy. In Ireland, property owners as landlords became a core constituency that organized and lobbied for preferential conditions (Reddan 2017).

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Europe's Demographic Challenge

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This chapter provides an overview of how demographic change is being discussed and addressed at the European Union level. It identifies some of the key actors operating in the Brussels arena and finds four key areas of policy activity: skill gaps and human capital; pension reform; work-life balance and policies enabling choice on family formation; and active/healthy ageing. The chapter explains that the bulk of this policy activity takes place in an institutional vacuum as authority on these issues is highly diffuse, policy timelines fragmented, and funding support scarce or politicized. As such demographic challenges are slow-burning in their *temporal* dimension, poorly communicated as *talk* between policymakers, experts, and the public, and have not led to specific *tools*. The chapter studies actor interactions and the spaces of policy discussions, including spaces as varied as the United Nations Economic Commission for Europe and demography professional associations. It also explores the extent to which cooperation with non-governmental organisations and business actors provides opportunities for policy advocacy. It concludes that the most fruitful interventions at the European Union level happen around discussions about employment but that links to demographic change per se depend on policy entrepreneurship rather than institutional structures.

Governing Social Divergence in the Eurozone

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The divergence that has developed within the euro area between core and periphery is the main threat to the existence of the single currency and to the stability of the EU as a whole. There is a dire need to develop governance *tools* that can strengthen the EMU architecture, and in particular to strengthen its real economic performance and its social dimension. Better governance is necessary, but it is not obvious that member states would hand over competences to a stronger EMU level governance structure without more risk sharing. This would also help strengthen public acceptance of the EMU. This chapter discusses how these issues must be addressed to avoid a slow-burning crises of greater social divergence and economic stagnation. While the ideal *timing* for paradigmatic shifts in policy thinking may have passed, policy frames must be developed at the European level that can deal with these issues, such as automatic stabilizers and unemployment insurance. A key question, however, is whether there is still sufficient political capital left among mainstream political forces to promote solutions that can counter the internal imbalances and divergence between the core and periphery within the Eurozone. These actors must engage in *talk* that focuses on strengthening discipline, solidarity and legitimacy simultaneously. A game changer for investment, growth and rebalancing is needed, and most likely it will be found in the area of fiscal capacity.