HOUSING THE POOR: A MORAL DILEMMA OF PUBLIC HOUSING ASSOCIATIONS IN A POST-MODERN WELFARE STATE

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Rent Arrears, Housing Management and the Crisis of the Welfare State

From the outset, the Dutch welfare state has considered 'housing the poor' as one of her main tasks. The share of social rented housing in the total housing stock belongs to the highest in Western Europe. However, also in the Netherlands the structure of the welfare state is cracking under the weight of rising contradictions. The commitment of the state to provide decent and affordable housing for lower-income households has fundamental built-in contradictions regarding present day’s call for efficiency, cost-effectiveness and diminishing government involvement. This call is even more contradictory because of the accompanying instruments of privatization, sale of social housing, subsidy cuts and more market conform yearly rent increases, and the legacy of a housing policy which for decades concentrated on the former commitment. Due to extensive urban renewal and housing production schemes, in the last decades the quality of the Dutch housing stock improved considerably. Negative side-effects, however, were higher rent-levels and rising housing costs. Even in the case of lower income households these negative effects were only partly set off by the rent-subsidy program of the central government. In the lower income brackets an expenditure of around 40% of the household-income on housing costs (including energy-costs) is not exceptional (Kurpershoek and van Kempen 1991).

Failing sufficient alternative cheap housing in many locations, we may wonder whether we have to do with a 'forced housing consumption', lowering the free spendable income of the lower income households substantially.

An argument in support of the last thesis are the rising rent arrears in the 1980s, especially in areas where the rents are relatively high and coincide with a concentration of low-income people. (Heijkoop 1988). The economic crisis in the beginning of the 1980s led to stagnating incomes, growing housing costs and a lack of alternative housing opportunities. In this light, growing rent arrears are an

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illustration of the crisis of the welfare state itself. For, broadly speaking rent arrears indicate that people have severe difficulties in making ends meet. 'Having a roof over one's head' has a very high priority for people in our society, as research has shown. If, nevertheless, a household has substantial rent arrears, this nearly always means that all other options to make ends meet are exhausted and that we are dealing with households that are in the last stage of an ongoing process of debt accumulation (Brandt 1989; Engbersen 1987; van Kempen en Teymant 1990, 1991).

In the Netherlands the management of the newly built and renovated social rented housing stock is mainly consigned to housing associations and the local authorities. In the last years local authorities tend to privatise their property by giving the department, in charge of council housing, an independent status, comparable to housing associations. Council housing has traditionally functioned as a last resort for people who scarcely have any opportunity at the

![Eviction sentences per 10,000 dwellings](image)

Figure 1 Eviction sentences per 10,000 dwellings, passed by the cantonal courts of Amsterdam, Harderwijk and the Netherlands, 1972-1989.
housing market: the very poor, the ethnic minorities and a-social households. Thus, privatising council housing means that mainly private non profit organizations are now responsible for the housing of the socially weakest households in society and are confronted with the 'poverty-side' of the rent arrears problem. Nearly always having a social background and being responsible for the implementation of government policy, it is no wonder that the contradictory claims of the present national housing policy present great difficulties for these organizations. Faced with a withdrawing government and growing social problems like rising rent arrears, the Christian umbrella organization of housing associations even talks of a moral dilemma, when discussing the compatibility of the social aim of housing low-income people and the felt necessity of a more businesslike approach with regard to rent arrears (NCIV 1985). Proof of an increasingly businesslike attitude towards housing management during the 1980s and the disappearance of the taboo with respect to eviction, can be seen in Figure 1. Here we see that in the 1980s the number of eviction sentences, passed by the cantonal courts are rising. In 1972, 11,322 sentences were passed against nearly 35,000 sentences in 1987, a tripling in fifteen years. Especially the jurisdictions which comprise a big city or new towns, like the cantonal courts of Amsterdam and Harderwijk, saw themselves confronted with the rent arrears problem.

Eviction, as the ultimate answer to rent arrears, is an action basically contradictory to the objectives of social housing in the Dutch welfare state. Thus, a more clear understanding of the contradictory tendencies in the implementation of welfare state policies can be gained by studying the way housing associations are coping with the rent arrears problem.

This paper deals with the rent arrears policies and practices of housing managers in three localities, where the social problems are great. Although legislation restricts the manoeuvre space of the managers and organizations involved, there seems to be ample room for local variation in the way policies are implemented, when tackling the rent arrears problem.

Organizations as Mediators between National Policy and Local Practice.

'Life chances' of people, seen as a function of 'options' people have in life (Dahrendorf 1979), are heavily dependent on the way formal policies are implemented and locally presented by the agencies involved. The British sociologist Pahl was one of the first to recognise this mechanism. He raised the question of the discrete local outcome of policies and decisions of organizations and local managers on the 'life chances' of people, in what has become known as the 'urban managerialist thesis'. In his opinion especially the managers of
urban organizations and preferably local authority officials are worth studying because they control the access of people to scarce resources and urban facilities (Pahl 1975: 201 ff.). Symbolically, Pahl calls them 'social gatekeepers'. Bearing the problem of rent arrears in mind, we may add that urban managers not only are 'social gatekeepers', but also important 'instruments of social control' in case the 'social contract' is broken, like in the case of rent-arrears.

Although insightful, the urban managerialist thesis proved prone to critique. Two points are essential in the context of this paper. The first point concerns the restriction of 'urban managerialism' to mainly the local government sphere and its consequent neglect of an important part of social reality (Leonard 1982: 195; Williams 1982: 98). The argument is that also managers of private and semi-private organizations, like housing associations, are controlling the access to important collective goods like housing, education and medical and social care. The second point of critique has to do with the presupposed autonomy of the urban manager. Pahl even speaks of the urban manager as an 'independent variable' (Pahl 1975: 201). The purport of the critique is that managers themselves are part of the social system. The phrase "urban managers allocate scarce resources, they do not create themselves scarcity" (Bassett and Short 1980: 52) illustrates the position, expressed in the critique quite well. The plea for a more contextual view has found broad support. However, the importance of studying urban managers and organizations with their administrative processes itself is less disputed. The idea that knowledge of the allocation and control-mechanisms in our society is necessary to understand the local construction of social realities is widely accepted. Another argument is that the outcomes of administrative actions help us to understand "the contradictory processes which are mediated through their actions" (Saunders, cited by Williams 1982: 98; see further Manion and Flowerdew 1982: 19; Williams 1979: 238 and Wilson 1989).

The last quotation expresses a shift in focus from managers to organizations as important mediators between the policies of the nation state and daily practice. They are in the terms of Williams (1982: 101) the "concrete structural manifestations of social institutions", through which the rules of the local and national state are interpreted and become manifest for the citizen. From this point of view organizations can be seen as 'interpretative communities' which adapt rules, procedures and even laws to local circumstances. According to Bomley (1989), they have to do so because their legitimacy is dependent on the way they achieve to consolidate their authority and have an eye for the needs of the local situation (Bomley 1989: 180 ff.).

However, interpretation within organizations is not restricted to the managers of the organization. Also lower level workers take part in it. In his book 'Street-Level Bureaucracy' Lipsky (1980) states that the 'street-level bureaucrat' or lower-level worker has interests which depart from those of the
managers. One is the need to process work loads expeditiously, free from real and psychological threats. Another one is the desire to maintain and expand their autonomy. For the street level bureaucrat who has to do his work in an environment that is characterised by personal autonomy, a high work load, complex tasks, complicated rules and instructions and often conflicting goals, these interests are essential in coping with daily practice. His daily worksituation is highly dependant upon his interaction with the clients and thus by local circumstances. In such a situation rules, instructions and procedures are easily adapted to these circumstances (Lipsky 1980: 15 ff.). The influence of the managers should be more directed at the formulation and interpretation of formal rules and the structuring of tasks and, unintentionally, of value orientations (Wilson 1989: 26). However, it is in the mutual interaction of both managers, the workers of the organization and the 'outside world', in daily practice, that the culture within an organization arises. "The occupational culture, like all cultures, is a mode of adaptation to the uncertainties and vicissitudes of collective life", Manning (1982: 125) states. The culture gives permanence to the way rules are interpreted, as working principles, working rules and working practices are constitutive of the occupational culture. Thus, both the formal and informal rules and practices within an organization and its external bonds have to be studied to understand the way organizations are constructing local reality and how they are influencing people's life chances.

The impact of an organization on local community life depends on its 'power' and autonomy. Housing associations in the Netherlands which have to do their work in a locality where the allocation rules are dictated by local government, have less discretion than housing associations which are working in a liberalised district. Or, more generally, to understand the impact of organizations we have to study them in their local context and have to consider their relations with other local agencies, like local government departments as well. These relations we will call the 'horizontal relations or linkages'. The 'vertical relations or linkages' of an organization however, are also important to understand its autonomy and local impact. Often local organizations are part of larger, hierarchically organised bureaucracies which restrict the discretion of the local organizations by formal rules and financing. They are not very sensitive to feedbacks from daily practice. In these cases the power of the local organization in formulating formal rules and practices, adapted to the local situation is restricted.

The Research

Central to the argument of this paper are the housing associations as the local organizations mostly involved in the problem of rent arrears. However, also other organizations deal with rent arrears, like local government agencies,
social help organizations, bailiffs and the cantonal court. In the research this paper is based on, we have studied the ways these organizations are coping with the rent arrears problem, both formally and informally, and looked at the existence of working relations between the different organizations and at the way these organizations are attuning their policies and daily practices to each other and to local circumstances. Both managers and lower level workers were interviewed. Important was the idea of local discretion. Thus, three research locations were selected which have in common that they all are known as 'problem areas', but which differ according to scale, administrative autonomy and history. It concerns two neighbourhoods in Amsterdam, the pre-war neighbourhood 'Transvaalbuurt' with about 9,500 inhabitants and the post-war high-rise neighbourhood 'Bijlmermeer' with about 51,800 inhabitants, and the new town Lelystad which is, with its 57,600 inhabitants, nearly of the size of Bijlmermeer. The two neighbourhoods in Amsterdam belong to different boroughs and consequently partly to the domain of different public agencies. In the following the three localities are introduced by reviewing their main characteristics and history shortly.

The Research Localities

Lelystad is located 50 kilometres from Amsterdam on new land which was only impoldered at the end of the 1960s. This means that the housing stock is quite new and homogeneous. Most of the housing stock consists of row houses. Nearly three quarters of the housing stock are in the social rented sector. The range of the rents is relatively small. Nearly 60% of the rented housing have a monthly rent between 400 and 600 guilders (Kurpershoek and van Kempen, 1991).

Originally Lelystad was planned to fulfil two functions, to be the capital of the reclaimed land and to receive the overspill from Amsterdam. However, the later development of the new town of Almere which is located between Lelystad and Amsterdam, interfered. In the first half of the 1980s when the housing production in Almere came to a head, the growth of Lelystad stagnated. In the second half of the 1980s nearly any new housing was built in Lelystad while vacancies were high. So Lelystad did not reach its planned size of 80,000 inhabitants. Moreover, the selective character of the considerable migration worsened the social and financial problems of the new town. Whereas people with work predominate among the leavers, only half or less of the immigrant households had a regularly job. At the end of the 1980s 20 percent of the households in Lelystad are living on social security or have an unemployment benefit. Indebtedness is a large problem. In 1988 232 out of every 10,000 households in Lelystad were sentenced to eviction because of rent arrears. A third of the sentenced were actually evicted (van Kempen en Teijmant, 1991).
The stagnated growth leaves its mark on the city. The centre of the city and the newest development are not completed; the infrastructure and public facilities like the city hall are clearly oversized. At the end of 1984 financial troubles cause the city to make an appeal to the central government for financial support. Lelystad becomes a so-called 'article 12 municipality'. Henceforth its expenditure is checked by the state. Still, within the margins set by the state, local government has some discretion to develop its own policy to cope with its problems.

The neighbourhood known as Bijlmermeer is the most problematic part of the newest extension of Amsterdam, called Amsterdam South East. In this neighbourhood nearly all the houses are tenement houses, mainly built as high-rise housing with balcony access and lifts. The neighbourhood has been built at the end of the 1960s and the beginning of the 1970s and is quite notorious for its experimental lay-out. A rigorously applied segregation of functions and traffic types is characteristic of the district. The 10-storeys blocks are built in a honeycomb pattern, containing sometimes more than 500 dwellings each.

Originally the management of these huge honeycombs was organised in a rather peculiar way. In accordance with common practice, the management of the apartments was divided among the fourteen existing housing associations in Amsterdam. The result was a scattered pattern of properties. In some cases, one building was even managed by three different corporations. In 1984 as part of the solution to the increasing social and management problems in the area, a new housing corporation, called New Amsterdam, took over the management of the honeycomb blocks, except one. Apart from New Amsterdam, still two other housing associations and the privatised council housing department have property in Bijlmermeer. However, with 13,000 dwellings New Amsterdam is by far the largest home-owner of the district. Unique about the property of New Amsterdam is its containment to one neighbourhood.

About 50 percent of the high-rise housing in Bijlmermeer are three or four bedroom apartments. The rents are relatively high, partly because of high additional service-costs. Although nearly all the houses belong to the social sector, Bijlmermeer is not incorporated into the prevailing housing distribution system in Amsterdam because the high-rise apartments are not sought after and are difficult to let. From the outset Bijlmermeer has been a resort for people with a weak position on the housing market. Nowadays more than half of the population is of foreign origin, counting over thirty nationalities, and 60 percent of the households are living on welfare. Although the vacancy-rate has dropped sharply from 24 percent in 1985 to 3 percent in 1990 because of a tightening housing market, the turn-overrate is still high. Due to its history and current social problems Bijlmermeer has a widespread reputation as a problem area. For our study Bijlmermeer is an interesting case because of the size
of the area and the dominance of one housing association, New Amsterdam. Having no property outside Bijlmermeer, New Amsterdam cannot make good the losses on the management of the high-rise. The financial position of the housing association is critical and because of that New Amsterdam has been placed under legal restraint of the municipal government.

Despite its small size Transvaalbuurt is generally perceived as a distinct neighbourhood because of its geographically isolated location, squeezed between a railroad, a canal and a main street. The neighbourhood has been built in the early 1920s. Densities are high and the houses are small, although not in number of rooms: 45 percent of the mainly apartment-houses have three bedrooms or more. In the last decade part of the housing-stock has been renovated or renewed. Nevertheless the rents are still relatively low.

The housing tenure of the neighbourhood is varied. Amongst the home owners small private landlords, owner-occupiers, housing associations and the now privatised council housing department are all found. For reasons that go back to the time of construction and World War II, the share of council housing is remarkably high. Of the pre-war population of the Transvaalbuurt nearly half was Jewish. Most of them did not survive World War II. After the war the council took over the property of the Jewish housing association. At first people from poorer neighbourhoods of Amsterdam moved in. In the 1970s the immigration of Surinamese and 'gastarbeiter' families from Morocco and Turkey changed the character of the neighbourhood. Nowadays, half of the population is of foreign origin and unemployment is high. For our study the Transvaalbuurt is an interesting case because of its social history, its small size and its mix of tenure.

The local, organisational networks with regard to rent arrears

Although rent arrears are mainly a problem of housing associations and other landlords, other agencies are involved in the rent arrears problem as well. To collect the rent due the landlords require the aid of a bailiff and in the end the court of law. When it comes to find solutions for paying off the debts, various kinds of social aid and money lending institutions also are involved. This does not mean that all these organizations necessarily are present at the local level, nor that the indebted tenant necessarily has to cope with all these organizations. However, it does mean that the local network of organizations, which together constitute the options the tenants have to solve their debts problem, is a complex one.
Figure 2\(^2\) depicts the local networks of the agencies involved in the rent arrears problem in the three research areas. From right to left the following organizations are represented in the figure: money lending institutions, (departments of the) municipality, social aid institutions, juridical bodies and housing associations and private landlords. The figure is rather complicated because we have tried to envisage both the horizontal and vertical linkages that entangle the three localities. For, not all agencies have offices on the neighbourhood (A) level (which administratively is the level of Bijlmermeer and Transvaalbuurt), district (B) level or even municipal (C) level (which is the level of Lelystad) and, moreover, the linkages indicate a different degree of mutual dependency.

In spite of the difference in size between the two localities, the structures of the organisational networks around the rent arrears problem in Bijlmermeer and Transvaalbuurt are very much alike, whereas Lelystad shows quite another picture. Obviously, in this respect the administrative position of a locality is more important than its size. Many agencies prove to operate on a municipal level. As a consequence the organisational network in Lelystad is much 'flatter' than in the two Amsterdam neighbourhoods and horizontal linkages dominate. The level where the decisions are taken, is the same as the level where the daily problems are confronted. To cope with these problems, co-operation of the different agencies is common practice. Local authorities co-ordinate and even instigate actions that are intended to prevent rent arrears. Regularly the local authorities and the four main landlords in Lelystad meet to discuss and attune their allocation and management policies. Even the cantonal judges and bailiffs have regular meetings (twice a year) to inform each other about their positions and eventually attune their policies. Furthermore, a couple of years ago local authorities centralised the social and intermediary aid in the field of money lending and debts settling by bringing about the foundation of a 'debts assistance institute' (CBI), a quite unique initiative in the Netherlands. In fact, this

\(^2\) The abbreviations in figure 2 are standing for the following agencies. In all figures: 
Cant.=Cantonal Court, Sc=Social Counsel, LA=Legal Aid Institution; SA=Social Aid Institution; SA=Social Adviser; MSD=Municipal Social Security Department; Mun.=(Departments of the) Municipality; MLA=Money Lending Institution Amsterdam. In Lelystad: vd Lin=Van der Linden real estate, ABC=ABC real estate, HAL=Housing Association Lelystad, The Ass.=housing association The Assignment, CBI=Central Budget Institution. In Bijlmermeer: OI=housing association Our Interest, OD=housing association Our Dwelling, CHD=Council Housing Department-South East, NA=housing association New Amsterdam, MEF=Municipal Emergency Fund. In Transvaalbuurt: Patr.=christian housing association Patrimonium, Sm.H.=Small Home owners, OI=housing association Our Interest, GHA=General Housing Association, CHD=Council Housing Department-Centre East, HOS=Home Owners Association, MEF=Municipal Emergency Fund.
institute holds a monopoly position for debts assistance in Lelystad. Everyone who is indebted in Lelystad and turns to some official agency for help, is referred to this institute. According to one of our informants "it is the last resort for indebted people. If a request for help is turned down by the institute, there is nowhere else to go".

Figure 2 The local, organisational networks around the rent arrears problem
In Bijlmermeer and Transvaalbuurt the options of the indebted tenant are less clear, even to the social aid institutions themselves. Here people can go to more than one institution for help, also outside their neighbourhood. These social aid institutions all have more or less their own practices and rules. As a consequence 'help shopping' is a fairly common practice among defaulters, according to our informants. However, at the same time it should be rather difficult for the indebted tenant to find his way through the web of social aid institutions and the existing tenuous practices of referring to and referring back and asking for written explanations and proofs, to combat the feeling of being driven from pillar to post and persevere with the attempts to find a final solution for his debts problem.

Thus, the segmented, vertical organised administrative structure of both the Amsterdam neighbourhoods can be hold responsible for the lack of consultation and commitments on neighbourhood level of the different agencies involved. Many agencies do not even have a branch in the area. But when they have one, like the social service institution and welfare officer, the branches are bound by the policies and rules of the main offices at the district or municipal level. Even housing association New Amsterdam, which is the only housing association in Amsterdam whose property is restricted to one delimited neighbourhood, is bound by its vertical, financial relationship with the municipality of Amsterdam. Because of its disastrous financial position, the expenditure of the housing association is supervised by the local authorities. Among other things, the local authorities have emphasised the necessity of a strict approach of the burdensome rent arrears.

In the case of the small Transvaalbuurt the segmented, vertically organised administrative structure makes the agencies involved un-aware of the existence of a rent arrears problem in the neighbourhood. They have no specific rent arrears policy with regard to the neighborhood. Apart from the former council housing department whose property mainly contains apartments in Transvaalbuurt and adjacent problem areas, the housing associations in Transvaalbuurt do not even perceive a rent arrears problem in the neighbourhood, although their own figures show otherwise (see Table 1). In the case of Bijlmermeer, on the other hand, the problems are that extensive and manifest that no agency can overlook them.

The Landlords Involved

Despite the involvement of other agencies, the landlords remain the main actors, when it comes to the fighting of rent arrears. In the following we will focus on the main landlords in the three research areas and the way they are dealing with rent arrears and indebted tenants.
The smallest research area, Transvaalbuurt, has the largest number of landlords. This is due to its historically grown, varied tenure. The number of small private landlords, mostly owning one property only, is still considerable (about 200), although their number is diminishing because of the urban renewal process. Besides, six housing associations, among them the former, now privatised council housing department of the city of Amsterdam, have property in the area. However, two of them only have a dozen apartments in the neighbourhood and are not included into the research. In Bijlmermeer three housing associations and the former council housing department are responsible for the management of the social rented housing stock. In Lelystad the social rented housing stock is mainly managed by two housing associations only. Two private real estate companies are responsible for the management of the more expensive rented housing stock. They are management companies of large investors, like pension funds, and are operating on a regional and national scale. As we saw before, most of the other agencies in Lelystad are operating on the local community level and have no business outside Lelystad.

Table 1 Property and rent arrears situation of housing associations and management companies in the research areas, ultimo 1990.

<table>
<thead>
<tr>
<th>Landlord***</th>
<th>Type</th>
<th>Property (abs.)</th>
<th>Property (%)</th>
<th>Rent- arrears**</th>
<th>Renters with Rent arrears (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>R.A.*</td>
<td>R.A.*</td>
<td>Total</td>
</tr>
<tr>
<td>TRANSAALBUURT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHO-CE</td>
<td>B</td>
<td>36.146</td>
<td>5.762</td>
<td>1.761</td>
<td>30.6</td>
</tr>
<tr>
<td>GRA</td>
<td>B</td>
<td>15.683</td>
<td>-</td>
<td>0.66</td>
<td>2.9</td>
</tr>
<tr>
<td>Petronium</td>
<td>C</td>
<td>14.834</td>
<td>4.454</td>
<td>2564</td>
<td>5.9</td>
</tr>
<tr>
<td>Our Interest</td>
<td>B</td>
<td>6.163</td>
<td>-</td>
<td>394</td>
<td>6.4</td>
</tr>
<tr>
<td>BIIJLMEREE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHO-SE</td>
<td>B</td>
<td>36.146</td>
<td>3.425</td>
<td>1.637</td>
<td>46.9</td>
</tr>
<tr>
<td>New Amsterdam</td>
<td>A</td>
<td>13.345</td>
<td>-</td>
<td>13.345</td>
<td>100.0</td>
</tr>
<tr>
<td>Our Dwelling</td>
<td>B</td>
<td>14.014</td>
<td>-</td>
<td>596</td>
<td>4.3</td>
</tr>
<tr>
<td>Our Interest</td>
<td>B</td>
<td>6.163</td>
<td>-</td>
<td>913</td>
<td>14.8</td>
</tr>
<tr>
<td>LELYSTAD</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Assistent</td>
<td>A</td>
<td>6.479</td>
<td>-</td>
<td>6.479</td>
<td>100.0</td>
</tr>
<tr>
<td>HAL</td>
<td>A</td>
<td>6.954</td>
<td>-</td>
<td>6.954</td>
<td>100.0</td>
</tr>
<tr>
<td>ARC-Real Estate</td>
<td>C</td>
<td>$85,000</td>
<td>$2,300</td>
<td>$2,100</td>
<td>100.0</td>
</tr>
<tr>
<td>Van der Linden</td>
<td>C</td>
<td>$2,200</td>
<td>-</td>
<td>$1,550</td>
<td>70.0</td>
</tr>
</tbody>
</table>

Source: Housing Associations and Management Companies.

* R.A. = research area; % = % of property on the district level or, when not applicable, of the property on the level of the organization.
** percentage of accrued yearly rents.
*** Transvaalbuurt: Bijlmermeer: Lelystad:
CHO-CE: Council Housing CHO-SE: Council Housing HAL: Housing Association Lelystad
Department Centre- East Department South-East Van der Linden: Van der Linden
GRA: General Housing Ass. real estate company
According to their degree of involvement in the research area (vertical ties or autonomy), it is possible to discern three types of housing management agencies:

A. Autonomous on at least the municipal level; property is restricted to the research area. (Both the housing associations in Lelystad and New Amsterdam in Bijlmermeer belong to this type);

B. Autonomous on at least the municipal level; property is not restricted to the research area. (All the housing associations in Transvaalbuurt and Bijlmermeer, except New Amsterdam and Patrimonium belong to this type).

C. Division of an hierarchical organization, operating on a regional or national scale; property is not restricted to the research area. (Examples are housing association Patrimonium in Transvaalbuurt en the two real estate companies in Lelystad).

The rent arrears collection process

There are several ways that landlords can use to get a better grip on the rent arrears problems. Preventively, they can allocate their houses to tenants who are not very likely to cause financial or other problems. Furthermore, they can call in a bailiff to recover the rent arrears and, if this does not prove to be successful, they can go for an eviction sentence. They can offer the defaulted tenant the opportunity to pay off his debt in instalments or they can decide not to do so. However, these acts to counter rent arrears are not entirely free because they are subject to juridical and municipal regulation.

Although all the landlords have a rather formalised procedure now regarding the collection of rent arrears, their insight in the course of the rent arrears collection process is less clear. Figure 3 shows that sometimes, after two months already, the bailiff takes over the collection of the rent arrears. From that moment on he bears responsibility. Although there is a client relationship with the housing associations and private management companies involved and they decide in consultation on guidelines, the bailiff has some discretion. The housing managers and employees of the housing associations only have a general idea of what is happening to their tenants during this period of the rent collection process. Mostly they do not even have a clear idea of the time it takes to carry out an eviction.

Figure 3 shows the steps in the rent collection process until eviction for the various landlords and the time involved. Noticeable is the difference in time

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3 i.e. does not belong to a bureaucratic, hierarchical organization, operating on a 'higher' spatial level.
the collection process for Lelystad takes, compared with Amsterdam. Whereas in Amsterdam it takes at least nearly seven months before an eviction becomes a reality, in Lelystad people can be evicted, having a three month rent arrears only. This is mainly due to the policy of the cantonal court in Lelystad and the reigning consensus between parties that a severe and clear debt collection process and a fast eviction is better for the defaulter, because his rent arrears thereby will not accumulate. So, contrary to the Amsterdam cantonal court, which asks at least a three month rent arrears before a landlord can get an eviction sentence, the cantonal court in Lelystad has a two month term. This has its influence on the summoning policy of the housing associations, as Figure 3 illustrates. In Lelystad the tenants are summoned only twice before their case is handed over to the bailiff, whereas in Amsterdam it is common practice among the housing associations to summon at least thrice. Besides, the administrative winding up of a verdict leads to differences in the time involved. In Amsterdam usually the bailiff receives the verdict only six weeks after the session of the court at the earliest.

Figure 3 Steps in the rent arrears collection process and number of months involved (average terms)

The horizontal linkages in Lelystad are active in bringing about the correspondence in policies of the different parties, even between the housing associations and the private housing management companies. In Amsterdam the differences in the time involved are also small. However, the pace the different steps are taken with, still varies, although the practices of the housing
associations are becoming more similar. The housing association New Amster-
dam which was known for its lenient attitude and practice, recently adjusted its
rent arrears collection procedure under pressure of the local authorities. At the
moment of the research the former council housing departments, both in
Bijlmermeer and the Transvaalbuurt, have the most lenient practice. They wait
relatively long before the case of an indebted tenant is handed over to the
bailiff. This consideration has to do with the specific category of tenants these
former council departments are housing. It concerns people with very few
opportunities on the housing market, for whom council housing is the last resort.
Once evicted, sooner or later they will show up in council housing again. Thus,
the existing opinion among the lower level workers is that everyone benefits
from making the defaulters pay off in the end.

However, the formal rent arrears collection procedure and the time involved
are only one way to express the different options that the indebted tenants of
different landlords have. The chances the indebted tenant gets to solve his
problems, largely depend on how he is met by the landlord and on the terms the
landlord offers. Partly this is a formal affair and partly a concern of the
employees. Table 2 represents the terms of the official pay off arrangements,
the way the tenants are met and whether exceptions are made.

Table 2 Pay off arrangements and the way tenants are met

<table>
<thead>
<tr>
<th>Landlords** (Type)</th>
<th>Maximum Number of Monthly Instalments</th>
<th>Minimal amount</th>
<th>Exceptions Possible</th>
<th>Recidivism Accepted</th>
<th>How the Pay-off Arrangement is made.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transvaalbuurt</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHD-CE (B)</td>
<td>12</td>
<td>none</td>
<td>yes</td>
<td>no</td>
<td>in the office</td>
</tr>
<tr>
<td>GHA (B)</td>
<td>9</td>
<td>f 50</td>
<td>yes</td>
<td>yes</td>
<td>by telephone*</td>
</tr>
<tr>
<td>Patrimonium (C)</td>
<td>6</td>
<td>none</td>
<td>no</td>
<td>yes</td>
<td>in the office</td>
</tr>
<tr>
<td>Our Interest (B)</td>
<td>3</td>
<td>none</td>
<td>yes</td>
<td>no</td>
<td>by telephone*</td>
</tr>
<tr>
<td>Bijlmermeer</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHD-SE (B)</td>
<td>12</td>
<td>f 50</td>
<td>yes</td>
<td>no</td>
<td>in the office</td>
</tr>
<tr>
<td>New Amsterdam (A)</td>
<td>18</td>
<td>f 95</td>
<td>yes</td>
<td>yes</td>
<td>in the office</td>
</tr>
<tr>
<td>Our Interest (B)</td>
<td>3</td>
<td>none</td>
<td>yes</td>
<td>no</td>
<td>in writing</td>
</tr>
<tr>
<td>Our Dwelling (B)</td>
<td>6</td>
<td>none</td>
<td>yes</td>
<td>no</td>
<td>in the office</td>
</tr>
<tr>
<td>Lelystad</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Assignment (A)</td>
<td>24</td>
<td>f 50</td>
<td>yes</td>
<td>yes</td>
<td>by telephone*</td>
</tr>
<tr>
<td>HAL (A)</td>
<td>24</td>
<td>f 85</td>
<td>yes</td>
<td>yes</td>
<td>in the office</td>
</tr>
<tr>
<td>ABC-real estate (C)</td>
<td>3</td>
<td>none</td>
<td>no</td>
<td>yes</td>
<td>in the office</td>
</tr>
<tr>
<td>Van der Linden (C)</td>
<td>4</td>
<td>f200</td>
<td>no</td>
<td>yes</td>
<td>in writing</td>
</tr>
</tbody>
</table>

* Arrangements, made by telephone, are confirmed in writing.
** For landlords and type: see legend Table 1 and Figure 2.

Most landlords and especially the landlords that have most of their
property in the problem areas under study or have a decentralised structure (i.e.
offices on a district level; see Table 1) prefer to let the tenants come to their
offices to make an arrangement. They believe that face to face contact prevents unrealistic arrangements that are not geared to personal circumstances and encourages tenants to keep their promises. Mostly it is also these housing associations that show the greatest consideration with the indebted tenants. This consideration is most clearly reflected in the number of instalments that are allowed. The maximum number of instalments can vary between three months and two years (see Table 2). However, in practice the minimal required monthly amount limits the number of instalments. In any case, exceptions are nearly always possible. Overall, the housing associations of the A type, i.e. the housing associations whose property predominantly is located in the research area and which from a local point of view are autonomous, have the most lenient pay off procedures, despite their recent tightening of the formal rules under force of financial circumstances. In practice the situation is still more accommodating. The lower level workers of New Amsterdam, the assignment and the former council housing departments regularly deviate from the official rules. For example, if a tenant phones and promises to pay off his rent arrears in two terms or next month as soon as he will get his child allowance, the workers nearly always agree and do not make an official contract. They only note down the promise. Sometimes they even do phone a tardy tenant to urge him to pay. The workers justify these departures from official rules by referring to the difficult financial situation of the tenants concerned, the high rents and the readiness of the tenants to pay off and solve their problems. Although, indeed, in the last years according to all our informants the rent arrears collection practice of the housing associations in Lelystad and New Amsterdam has hardened and even the lower level workers pay lip service to the new policies, but the practice is less harsh than formal rules suggest.

**Housing Allocation as a Measure to Prevent Rent Arrears**

The housing associations that are quite entwined with the local situation, are leniently applying their formal pay off rules. Over time the same housing associations have developed a more tight attitude towards the allocation of their property. This selective allocation of social housing is a controversial subject. "Keeping black lists of defaulters is not allowed in the land of social housing", the comment of a manager on the subject goes. Still most of the housing associations of our research do it, as Table 4 shows. Both in Amsterdam and Lelystad the allocation of housing is bound by rules, set by local government. To be entitled to social housing tenants have to be on the local priority list and meet the criteria, of income level and qualifying period. Furthermore, in Lelystad where the allocation of social housing is centralised, local authorities use the allocation procedure as a device to control the inflow of new inhabitants. People from outside Lelystad have to prove that they are economically attached to Lelystad or its surroundings (including the Amsterdam region) in
order to get a residence permit. Apart from the last criterion which is meant to bar the unemployed, the private landlords in Lelystad can allocate their houses unimpeded. An exception in Amsterdam is Bijlmermeer. Because of its weak position on the housing market the neighbourhood is exempted from the municipal allocation system.

Table 3 Allocation policy of landlords in Amsterdam and Lelystad

<table>
<thead>
<tr>
<th>Landlords* (Type)</th>
<th>Free to Allocate</th>
<th>Income Check</th>
<th>Blacklist of Tenants</th>
<th>Certificate of Moral Conduct Required</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transvaalbuurt</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHD-CE (B)</td>
<td>no</td>
<td>no</td>
<td>yes</td>
<td>no</td>
</tr>
<tr>
<td>GHA (B)</td>
<td>no</td>
<td>no</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>Patrimonium (C)</td>
<td>no</td>
<td>yes</td>
<td>?</td>
<td>?</td>
</tr>
<tr>
<td>Our Interest (B)</td>
<td>no</td>
<td>no</td>
<td>yes</td>
<td>sometimes</td>
</tr>
<tr>
<td><strong>Bijlmermeer</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHD-SE (B)</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
<td>always</td>
</tr>
<tr>
<td>New Amsterdam (A)</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
<td>always</td>
</tr>
<tr>
<td>Our Interest (B)</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
<td>always</td>
</tr>
<tr>
<td>Our Dwelling (B)</td>
<td>yes</td>
<td>yes</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td><strong>Lelystad</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Assignment (A)</td>
<td>no</td>
<td>yes</td>
<td>yes</td>
<td>always</td>
</tr>
<tr>
<td>HAL (A)</td>
<td>no</td>
<td>yes</td>
<td>yes</td>
<td>always</td>
</tr>
<tr>
<td>ABC-real estate (C)</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
<td>always</td>
</tr>
<tr>
<td>Van der Linden (C)</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
<td>always</td>
</tr>
</tbody>
</table>

* For landlords and type see Legend Table 1 and Figure 2.

Despite its controversial character nearly all the housing associations in our research employ some form of selective allocation. Apart from Transvaalbuurt, where the rents are rather low, all landlords have a kind of income check to prevent rent arrears. However, this does not mean that they can choose whoever they want, even when the allocation is free like in Bijlmermeer. Bijlmermeer mainly attracts people who have no opportunities whatsoever on the housing market. Formerly this meant that irrespective of their income the housing associations in charge accepted nearly everyone as a tenant. To fight the gettoization of the neighbourhood and rent arrears two housing associations, Our Interest and New Amsterdam, changed their allocation policy with regard to Bijlmermeer. Slight though it is, both housing associations are watching the relation of income to rent. In the case of New Amsterdam, people who have an income out of work, get priority on the waiting list, a quite unusual and controversial measure.
Drawing up blacklists of defaulters has become an even more common practice. Less common is the practice to check new tenants on their rent paying behaviour, nor is it a solid ground to refuse tenants within the prevailing allocation systems. Still, nearly all the landlords in Bijlmermeer and Lelystad do ask their new tenants for a certificate of moral conduct from their last landlords. In Lelystad even the re-housing department of the municipality is involved. Here the four main landlords have agreed not to house each others defaulters. Monthly the two housing associations also receive from the municipal re-housing department the list of new tenants of the other one to check. Only if the defaulter pays off its arrears fully, he or she is entitled to a house in Lelystad again. Evidently, such a control system can only exist in communities like Lelystad, where the horizontal linkages are clear and tight. In other communities the feasibility of these and similar measures will depend on the autonomy housing associations have in the field of housing allocation and the uncertain willingness of unknown others to co-operate.

Summary and Discussion

In the 1980s rent arrears are a subject of growing concern of housing associations, social aid institutions and local authorities alike, especially in localities where the rents are high and low-income people are concentrated. Although juridical regulations set up the rules for tackling the rent arrears problem, there is room for discrete interpretation and local variation. In Lelystad where the domains of the various agencies which are involved in the rent arrears problem and municipality coincide, housing associations, local authorities and even juridical bodies work together to solve the problem. Encouraged by the centralised policy of the local authorities the horizontal linkages between the various parties are comparatively tight and policies are attuned, restricting the latitude of both agencies and tenants.

In localities where the domains of the agencies involved and the local authorities do not coincide, like Transvaalbuurt and Bijlmermeer, the situation is more complex. Although less by horizontal relations, all the parties are bound by vertical relationships. These vertical relations also restrict the manoeuvre space of the agencies involved, albeit in a different way. In the small Transvaalbuurt the rent arrears problem is not perceived as such. Measures are dictated by policies, formulated outside the area at the district and head office level of the bureaucracies involved and have a more general nature. In Bijlmermeer the problems are too large and manifest to be neglected. Still, the various agencies do not attune their policies or co-ordinate their activities, regarding the rent arrears problem and often do not even know each other views. Solutions are sought for within the organizations themselves. The outcome is a scattered pattern of options that even the agencies involved are not
aware of. In these circumstances 'help-shopping' seems to be a quite common practice among defaulters, at least as far as they find their way to the social aid institutions. However, the outcome is less clear than in a more controlled situation with fewer options, like in Lelystad.

Different local, organisational networks mean different possibilities for actions for the agencies involved. Policies are attuned accordingly, although also the position of the organization in the network, i.e. the degree of involvement in the local community (type) provides variety. This is illustrated by the position of the housing associations. Basically two courses are open to them to fight rent arrears: a settling and a preventive one. At first sight the landlords in Lelystad have the most stringent procedures in both fields. Their time-path to eviction is short and their allocation policy is aimed at the barring of defaulters and potential defaulters. This is possible because of the reigning consensus and co-operation between parties. However, the rent arrears collection process is not that punitive as it appears to be. The pay off conditions of both the housing associations in Lelystad are relatively generous. Moreover, although lip service is paid to the strictness of the collection procedure that recently has been introduced, at least in the case of one housing association rules are leniently employed by the lower level workers with reference to the difficult financial position and often shown goodwill of the sitting tenants. In this respect the practices of the housing associations in Lelystad resemble the practice of that other housing association that is heavily entwined with the local situation (type A): New Amsterdam in Bijlmermeer. This housing association too recently tightened the rent arrears collection procedure and, although also in practice the routine is more strict than it was before, the terms of the pay off arrangements are still relatively easy. In addition the lower level workers regularly deviate from the official rule.

Obviously, a heavy entwinement with the local situation leads to harsh policies and more lenient practices. However, preventive measures have an other course. Here, the entwinement with the local situation leads to allocation policies that are intended to be selective as far as income and rent paying behaviour are concerned. It is the housing associations which have local autonomy from an organisational point of view, that are trying the most to turn the tide by slighting or even barring people who are most in need of housing or are seen as 'undeserving'. With housing associations that have a more scattered property and are less confronted with 'financial hardship' selective allocation is still a controversial or even neglected subject.

Although in the last decades a more businesslike attitude seems to be the panacea for all kinds of problems, this is not common practice by all agencies. The housing associations which exclusively have property in problem areas are pressured by financial hardship and by the local authorities responsible to
change their policies. They have found the moral dilemma housing associations are faced with, most at their cost. Known by their lenient attitude to rent arrears, they recently tightened their policies regarding the rent collection process and eviction. However, in practice they still show a lot of compassion with their sitting tenants and take their weak social economic position into account, when it comes to the implementation of the rent collection policy, keeping to their social aim and the status quo. However the pendulum goes into the other direction when allocation is concerned. Then the dilemma ends in a kind of NIMBY (Not In My Back Yard) effect and a rejection of responsibility. Not hindered by local government regulation or sometimes, like in Lelystad, even using it to their favour, they try to reduce or even exclude the people who have the fewest chances in the housing market, from their tenancy. No matter how rational from a financial point of view, by using this approach the aim of social housing itself is at stake. We may conclude this paper with the statement that obviously the contradictory tendencies in the welfare state, are manifested most clearly in localities that are dominated by financially weak social organizations. These organizations are the ones most prone to welfare state policies, and the ones which in turn especially influence the options of people who have the least choice.

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