The Future of Housing Advocacy and Research

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1. Housing advocacy on the defensive

We are on the defensive on housing worldwide. Prices are escalating, unaffordability is rising, and people are paying more and more of their incomes for housing. Segregation is not declining and often increasing. (For example, using the Tauber Index, the level of segregation of blacks in New York City is today is 75 – in 1910, it was 64.)

Security of tenure is a problem in many countries. Major campaigns have been held to protest the eviction of thousands of people in Nairobi for road construction. Massive demolition in Rafah, in the Gaza strip, has left hundreds homeless. But this problem affects not only the Third World, but also Canada and the United States, where foreclosures and evictions are increasing.

Housing is in short supply almost everywhere. In the developed countries, taking New York City as an example, the vacancy rate is 3.9%. Waiting lists of seniors for housing number 217,000 for 17,000 subsidized units. In all, about 924 million people worldwide are estimated to lack housing that provides decent shelter and safe water and sanitary conditions. In Calcutta, 250,000 children sleep on the sidewalks each night. Even in developed countries homelessness is a continuing problem: every night in New York, 25,000 children sleep in shelters for the homeless.

At the same time, developed countries have seen massive cutbacks in social programs. In the United States, the direct provision of public housing has been stopped completely, and new programs reduce what has already been built. The shift to demand-side thinking is complete. At the federal level even demand-side programs are also being reduced, in part by sleight-of-hand measures that try to conceal absolute cutbacks.

For those of us who are in the fortunate position of being able to act as advocates for the ill-housed without being ill-housed ourselves, the day-to-day effort to improve housing conditions has been reduced to a detailed understanding of section 1529(b)(3) of the U.S. tax code, which gives limited tax benefits to developers willing to set aside a little bit of what they build for lower-income residents. Housing advocacy is reduced to pushing for the extension of tax benefits and the reduction of capital gains recapture provisions on one or another housing project. We did not get into our end of the housing business to become tax experts or accountants.

2. Why are we in this situation?

What explains this situation, after more than a century of social welfare programs featuring housing among their goals in most developed countries, and decades of declarations and setting of ambitious housing goals by international agencies and the United Nations?

We need today a radical back-to-basics review of the housing situation, what explains it, and what can be done about it.
To start: Why do the housing problems listed above exist today? Fundamentally, they exist because of a combination of two factors.

First, today’s economic structures result in an uneven distribution of wealth, leaving many with inadequate incomes to pay for the necessities of life at their actual costs of production. As much as 70% of all income growth in the United States during the 1980s went to the richest 1% of all families; worldwide, the richest 1% has as much income as the poorest 57%. Income inequality has been growing for at least the last 20 years.¹

Second, the dominant provision of housing has been through a profit-driven market. The commodification of housing has resulted in a housing industry geared to meet the needs and preferences of those willing and able to pay the most, and uninterested in the needs of those unable to pay even the least.²

There does not seem to be any significant possibility of altering either of these factors in the foreseeable future, but let us not forget that these are the reasons why we have the problems we do.

3. Two new aspects of the problem

Are these problems new? Fundamentally, no, but two aspects are new.

First, they exist in a global context. That means that for all countries, the penetration of the market and the commodification of housing have been extended and deepened from the outside, both directly – by outside actors in the economy, foreign investors, financial intermediaries, businesses establishing their operations and supplying housing for their employees, and speculators seeking a quick profit – and indirectly, through the penetration of an ideology that holds the market to be the only means of supplying and allocating housing, and justifies the unequal provision of housing as an unfortunate but necessary consequence of the drive for economic growth and competitiveness.

The poor in the Third World have been particularly victimized by these processes, in which inequalities and relationships of power among and across countries accentuates inequalities and relationships of power within countries. Also, the pace and form of urbanization is as much driven by push from rural areas scorched by un-fettered global imports as by the pull of new opportunities. At the same time, connections to organizations, groups, and struggles in other countries expand the possibilities of counter-pressures and resistance.

Those in countries that had been socialist face the difficulties of transforming their economies from ones that had broad governmental provision and control and little market operation to ones in which all forms of governmental action were delegitimated and an efficient market was seen as the cure-all for problems of housing.

Second, the problem can be solved. Over most of human history, aggregate resources, aggregate wealth, even if evenly distributed, would not have been adequate to provide what we would today consider adequate housing for all. That is no longer true: we have the material resources, the technological knowledge, and the capacity, to house all of the world’s population adequately. The challenge today is a social and economic and political one, not a material one or one of lack of knowledge.

4. Why do governments fail to act?

Why have not governments that are at least theoretically democratically controlled dealt with these problems, which would seem in theory to be exactly why we have governments: to ensure that the basic needs of its citizens are satisfied, that the rights enshrined in the Universal Declaration of Human Rights are met?

Everyone has the right to a standard of living adequate for the health and well-being of himself and his family, including food, clothing, housing, and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood old age or other lack of livelihood in circumstances beyond his control.³

The need for governmental action is clear.⁴ From a global perspective, the simple fact is that nowhere in the world are the poor able to pay for decent housing on the
private housing market. And our governments are not willing, or do not wish to, face that simple fact. Why?

Five barriers stand in the way of adequate governmental action.

1. Lack of governmental resources. This affects government priorities, both as to revenues (i.e., levels of taxation) and expenditures (i.e., distribution of benefits), and varies from country to country, but should influence only the pace, not the direction, of government policy on housing.

2. A political/ideological opposition to government action, partly based on a blanket rejection of prior state socialist actions and Cold War psychology, partly based on a tendency to focus on the market and ignore non-market participants’ concerns. For instance, the main argument of the World Bank’s Shelter Policy is that it is distortions of markets, oftentimes well intended, that create most of the shelter-related problems faced by low-income families, a position that ignores completely issues of poverty and the social costs of pure market provision of housing.

3. Uncontrolled and inefficient market conditions that increase the cost of housing unnecessarily: sprawl, speculation, segregation, financing.

4. Dissatisfaction with the manner in which state housing provision was accomplished in the past – large-scale, impersonal, ugly, restrictive, unresponsive, even though alternative means of provision and management are available.

5. The power of those profiting from a housing shortage, and opposed to the redistributive measures necessary to deal with it, which inevitably will be at their expense.

All of these are matters of government policy, which need to (and can) be resolved through democratic political processes. But it takes courage and power, and the willingness to face the controversies and conflicts that changing government policies requires, to do it. The quest for consensus, sometimes suggested as central to the role of planners and social policy advocates, is a dead end here. Consensus is a mirage, in an area so fraught with conflicts of interests and needs.

5. The effects on advocacy

Yet, in this defensive context, we are pushed, out of necessity, to focus on immediate needs, to deal with the complex programs that do exist, inadequate as they are. In the United States today, we deal with the complex accounting requirements to finance a limited number of partially subsidized housing units through tax credits. Further, because we depend on government agencies and individuals and often politicians to obtain the help we can get, we are reluctant to confront them, to criticize, to call for change, for fear of losing what little assistance we can get.

The temptation is to polish expertise, to become technicians, to focus on the fine print and let the big questions go, to master the game with its current set of rules, to push for refinements and amendments, not to address basics. But housing advocacy is not a technical job, although technicians are needed in day-to-day efforts to achieve at least some small results in the present defensive era.

6. Getting back to basics

In the face of this pressure for a defensive stance, I believe housing advocates need to get back to basics, and consider some simple and basic points about the kinds of policies that are necessary to tackle the overall problems of housing. Perhaps those of us who are on the front lines of housing provision day-to-day cannot raise these issues strategically, but at least those of us who have secure academic positions, or are involved in research can and should go back to these basic questions, and support the basic answers to the problems we all face.

What would that mean, in terms of programs and principles?

Emphasize redistribution

To begin with, redistribution is necessary. The World Bank has been pushing as a broad approach to housing, “enabling markets to work,” putting that idea forward as the solution to the housing problems of the formerly state socialist countries and other “developing” countries. There is nothing wrong with having markets help in producing and allocating housing for those with the money to operate in it; but it is no substitute for providing the resources and the regulations that are needed to address the situation of those not served by the market, or to correct the inequalities the market accentuates.

That means, for instance, progressive taxation at a national level. It could also mean redistribution within the housing system itself: not only skewed rentals within single developments, but also a speculation tax, an excess profits tax, a progressive real property tax, with proceeds earmarked for housing for the ill-housed. Housing trust fund proposals go in this direction.
An anti-speculation tax is necessary not only to produce revenues but also to hold down the price of housing. Increases in land values are, after all, socially brought about, and should inure to the benefit of society, not private individuals and companies. Profits made from the shortage of housing, in a sense monopoly profits, are not earned, and should be prohibited or taxed away.

At the international level, redistribution means just that: a transfer of resources from richer to poorer countries. Existing international agencies – the World Bank in particular – can help; their role has both positive and negative aspects today. But beyond that, the United Nations, and perhaps the OECD and the Group of Eight, and particularly the biggest of them, which shall remain nameless, should contribute significant sums to the improvement of housing throughout the world.

**Implement rent controls**

Rent controls are necessary. The high cost of rentals has a little to do with costs of provision but much to do with the costs of land and the desire to maximize profits. Holding rents to a level needed for decent maintenance, with an appropriately limited return to reasonable capital invested, if necessary. We have enough knowledge of rental markets by now to know that properly drawn rent control provisions do not hinder new construction in the market, but do help to keep private housing at rents affordable to their occupants.

**Subsidize non-profits**

Non-profit ownership of units dedicated to permanent availability to low-income households needs to be subsidized; non-profits, both charitable and community-based, are excellent participants in providing housing, but their ability to do so for those most in need depends entirely on governmental support. Non-profits are not a substitute for, but an expansion of, governmental action on housing.

**Support public housing**

Public housing, social housing, and ownership by government, is essential. It assures permanency, has the necessary resources behind it, and should be subject to democratic control. We know enough about tenant participation now, and how it can and should be done, not to be afraid of excess bureaucratization in a well-designed program.

Public housing that is built must be of adequate quantity and well designed and located, both to meet physical needs and to avoid the stigmatization and segregation that often accompanies it in today’s practice. To the extent necessary, it must provide supportive services to its residents, just as market-provided housing is expected to provide supportive services in response to the demands of its residents.

**Include demand-side subsidies**

Support for public housing, supply-side actions, does not vitiate the need for demand-side subsidies – housing allowances – for those in private housing unable to pay rents adequate to meet the needs of maintenance and utilities, rents at levels rent controls allow. Such housing allowances should be a matter of right. Demand and supply subsidies are not alternatives to each other, but complementary.

**Tighten land use controls**

Metropolitan/regional control of land use is essential. Sprawl is a waste of public resources, increases the costs of housing, reinforces segregation, is environmentally damaging. It cannot be controlled if land use decisions are made by independent local governmental units.

**Reform eviction and foreclosure laws**

Laws regarding eviction and foreclosure need to be reformed to provide that no person may be ejected from their housing unless he or she has another place to go. That’s the minimum of what security of tenure means, and it is just as necessary in developed countries as it is in less developed countries.

**Protect communities and neighbourhoods**

Communities and neighbourhoods must be protected. Housing is not only a matter of individual shelter, but also of a social web of relations and services and facilities. Displacement should be minimized and social as well as economic values taken into consideration in
making choices about public projects and compensation. Sophisticated zoning can do this.

By the same token, gated communities should be prohibited, and there should be no privatization or marketization of public services.

Gentrification can be a benefit to the housing stock of a neighbourhood, but it can also cause displacement, directly or indirectly. Gentrification should be controlled, through effective district zoning and planning, to avoid displacement.

**De-emphasize homeownership**

The emphasis on homeownership as a way of providing security of tenure is misleading; it may have more costs than benefits for many. It may in fact increase insecurity and segregation, and it should certainly not be the only avenue to security.

**Eliminate discrimination**

In societies where there is discrimination against minorities, whether immigrants or ethnic or so-called “racial” groups, housing policies must affirmatively recognize such discrimination and make certain that such groups have the same options as all other members of the society.

7. **The right to housing**

We need all these things. Put together, one might call them simply a right to housing – legally enforceable, not toothless, as United States wanted and Habitat II accepted.

Implementation of any of these measures need not await the findings of further research. We know enough already to take large steps forward in solving housing problems. The difficulties are not lack of knowledge, but lack of the power to implement. Research is needed today as a weapon in the effort to improve housing policy, both to expose the ills of bad policy (or the absence of good policies), and to show the potentials of good ones to justify and explain and convince and legitimate positions we already know are necessary to be taken. However, surely we already know more than enough to begin to act, to reverse the trends that have led to the current desperate situations. Abstract “policy analysis” is not what is most missing.

The task for housing advocacy and its research component today is in part to expand what we know, but even more to get its information and findings into the political arena, to help put knowledge into action. There are community groups, citizens’ groups, residents’ groups, tenants’ groups, groups of the landless and the homeless, who are already seeking to bring about those actions that will improve their own circumstances. Our further research should help support those actions.

**Notes**


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