Privatization regulated: consequences of privatization for the social relations between local authorities, housing associations and inhabitants

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Published in:
ENHR Conference Housing: Making the Connections, 29 August - 2 September 1994, Glasgow, Scotland

Published: 01/01/1994

Document Version
Accepted manuscript including changes made at the peer-review stage

Please check the document version of this publication:

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Link to publication

Citation for published version (APA):

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1 INTRODUCTION

The paper deals with the consequences of privatization for the social relations between local authorities, housing associations and tenants.

Firstly, privatization as an analytical concept needs some exploration (Smeets, 1988). In a part of the literature the concept is strongly related to the concept of the market. Issues like "contracting out" or "the transferring of" provision of public goods and services to private enterprise are discussed. This narrow and economistic concept is not of great importance in the field of Dutch housing policies because of the private character of the Dutch housing system.

Another part of the literature focusses on the sale of rented dwellings, the erosion of the social housing sector and the promotion of private ownership of housing. Also this is in the Dutch situation not as important as for example in Great Britain.

We will consider a rather broad concept of privatization. Privatization affects the total system of housing provision, which is understood as the activities of all agents and institutions involved in the process of producing housing, transferring these to its occupiers, and in the subsequent use and physical reproduction (Ball, 1987).

It refers to activities as: the development and production, financing and subsidies, ownership and management, and allocation and distribution.

Structures of housing provision do not only refer to activities, but also to the changing relations between institutions and agencies, as the central government, the local authorities, the
housing associations, and the tenants. This paper focusses on the changing relations among the local government, the housing associations, and the consumers' organizations. These participants in the housing process are searching for a new balance.

The wide range of relations in the local housing network will be shown by means of three case-studies. We find these cases in three Dutch cities: Tilburg (where we shall focus on the interaction between the local authority and the housing associations), Helmond (consultation among all parties in the local network) and Loon op Zand (interaction between the housing association and the tenants' organization).

2 THE ACTORS

2.1 The structure

Figure 1 shows the structure of the social housing system.
The central government has diminished its influence in the structure. The principle of the welfare state of risk-covering and risk-spreading is abandoned. The risks involved in the process of housing provision are shifted from the central government towards contractors, owners, and especially tenants.

One can speak of a "conditioned self-regulation" (Geelhoed, 1993): the central government leaves the initiative to the market and only sets conditions for these initiatives.

The most important framework in which these conditions are set, is the so-called Social Rental Sector Management Decree (Besluit Beheer Sociale Huursector: BBSH), established in 1993. The Decree reflects the housing associations with greater self-reliance (with the introduction of the Decree a lot of detailed codes of conduct disappeared).

The conditions are categorized in four "performance fields", for which the housing associations are responsible:

- the quality of the dwellings;
- the housing of lower income groups (the so-called "primary target group");
- the financial policy;
- the consultation with the tenants.

The withdrawal of the central government has also taken place at the financial level. Until 1988 nearly all social rental dwellings built under the Housing Act were financed through governmental loans. Nowadays housing associations have to borrow on the capital market. The guarantee on the loans on the capital market is privatized as well. The guarantee is given by the Social Dwelling Construction Guarantee Fund, set up by the associations, the local authorities, and the central government. In addition to the Guarantee Fund a solidarity fund (the Central Fund for Housing) contributes to the self-reliance of housing associations, to the strengthening of their financial position and the continued existence of individual associations (VROM, 1993).

Furthermore the grant policy has changed drastically. In 1981 95 per cent of the newly built houses were heavily subsidized. In 1991 the amount was 46 per cent.

As a consequence of the de-subsidization of housing during the last decade, the rents of existing and new dwellings have increased excessively. To prevent macro economic side-effects, such as pressure on the wage costs or an increase of the costs for housing allowances (the individual rent subsidy) an additional intervention was necessary.

As a consequence of the subvention policy in the last decades, many tenants live in cheap dwellings, even those with higher incomes. Opposite to this is the fact that a certain part of the lower income groups lives in relatively expensive dwellings.

Balancing this 'skewed' relation between the rents of dwellings and the incomes of tenants is
one of the main targets of central government policy. For that reason two policy target
groups are distinguished.
The primary target group (about 40 per cent of the population) has got a low income and
needs to be dwelled in the cheaper part of the housing stock (it has to be mentioned that
until now the volume of cheap dwellings is larger then the volume of the primary target
group). Cheap is defined as a rent below 500 or 650 Dutch guilders.
To the secondary target group belong the single households whose monthly income after tax
is higher than about 1800 guilders and the larger households whose income is more than
2500 guilders.
Because in the Netherlands there never was a political majority for a rent tax like for
instance in Germany, other instruments are chosen to balance the relation between rents and
incomes. The housing allowance is restricted, allocation is directly related to income (as a
consequence of which lower income groups can only be accommodated in the existing
housing stock; newly built dwellings are not accessible for them), and the secondary target
group is encouraged to leave the cheap dwellings and to move to other, more expensive and
better fitting dwellings. Especially the building of attractive dwellings in the owner occupied
sector or dwellings for special target groups (elderly households) have some effects in
stimulating the secondary target group to leave the cheap dwellings and thereby reduce the
amount of skewed distribution.

The withdrawal of the central government also leads to a greater significance of the local
level in regard to public responsibilities in housing policy. Decentralization has increased the
political autonomy of the lower governmental levels. This decentralization is also aimed to
reduce bureaucracy and to control expenditures of the central government.

The position of the 'consumer' and his organization has changed as well. For some years a
federation of the three most important organizations is founded (the Dwellers' Union).
In the BBSH it is stipulated how tenants should be involved in policy and management. First
and foremost, housing associations should take measures to install a complaints' committee
that has an advisory function in the processing of complaints. From an inquiry at the
beginning of 1994 it appeared, that 35 per cent of the associations did not have such a
committee.
Besides these complaints' committees, housing associations should consult their tenants at
least once a year. They should provide their tenants with the opportunity to speak out about
essential matters, such as conditions of tenure, supply and quality of services, maintenance
of the dwelling and its direct environment, allocation and rental policy and, sale.
2.2 Explaining the position of the tenants

The position of the tenants' (organizations) in the local housing is a topical issue in many local communities in the Netherlands. An important question in this context is how tenants can counterbalance the increasing powers of the housing associations.

In the 70's and 80's the tenants' influence in decision forming around urban renewal was indisputable and was implemented through the diverse procedures of participation. At the end of the 80's, after defeating the greater part of the housing deficit, other priorities in the housing sector appeared (a.o. the distribution of the housing stock), by which the interests of the tenants were infringed less directly. Simultaneously the position of power of the housing associations, who were playing in the field of urban renewal a sub-ordinated and frequently unimplementing role, increased.

In this matter the "Policy Document on Housing in the nineties" (VROM 1989) has delivered an important contribution. The proposed privatization of housing associations and the decrease of government's subsidy have made local authorities realize that they no longer hold the prime position in local housing policy and that housing associations would turn out to be important partners in policy forming and implementation.

Definitely after the publication of the BBSH in which the obligations and rights of the housing associations are stated, the interaction between the local authority and the housing associations is being intensified.

The most important subjects in that consultation are the procedural and substantive design of statutory monitoring by the local authorities on the four fields of performance, on which the housing associations are responsible towards the local authorities (housing of target groups, quality of the dwellings, tenants' participation, and financial continuity of the association).

The procedural design concerns on the one hand the structure of the annual report of the housing association to the local authority and on the other hand the procedures about decisions of the association, where the local authority will run financial risks or which can damage seriously the local housing policy. These are the so-called Decisions of Considerable Interest (Besluiten van Aanmerkelijk Belang). According to the central government, it concerns decisions about the acquisition, the sale or demolition of dwellings, and the acquisition of either a financial interest or a management authority in another public body. The central government leaves it to the local actors to concretize the definition of these Decisions of Considerable Interest.

At the moment there is still a reserved attitude towards the making of agreements concerning the procedural aspects of monitoring because of the indefiniteness of the local authority about its position in monitoring. It has no instruments for sanctions (only the Minister is
Substantively the consultation concerns the formulation of criteria around the fields of performance. Between the local authorities and the housing associations agreements are made about the performances that are to be realized. In general it can be said that most often performance agreements are made in the context of the first two performance fields (in the sense of: 'the present volume of the cheap-housing stock should be maintained’ or 'a certain percentage of the supply of cheap dwellings should be allocated to minimum-income households’ or 'the local authority extends a premium on land when new social rental- and purchase-dwellings are allocated to persons, who leave behind cheap rental dwellings’.

For the implementation of these performances the local authorities and the housing associations depend on one another, they are in an exchange relationship. The performance agreements are translated into effort’s and result’s obligations of both parties, thus from the side of the local authorities as well as from the associations.

Usually tenants have no part in the formal framework of the agreements’ system and are not allowed to join.

Tenants have the possibility to advise the local authorities in its monitoring the housing associations; more important though is the formal right of intervention (as stated in the BBSH) of tenants and representatives of tenants concerning all relevant policy matters, including those on performance agreements.

The BBSH does not contain statements on the concrete substance of the right of intervention by tenants on the policy of the local authority. In just a few cases this third performance field is incorporated into the performance agreements between local authorities and associations. In general housing associations hold the opinion that the quality of the consultation between the associations and their tenants belongs to the public law monitoring function of the local authority on the basis of the BBSH (Kuenzli, 1994).

The Dwellers’ Union is of the opinion that the rules of the local game need more sharpening. They demand:
- an obligatory independent arbitration board;
- a qualified right to advice for tenants’ organizations;
- an obligation for the associations to agree on a convention with tenants’ organizations, where the rules of the game are worked out more accurately;
- obligatory financial arrangements for the benefit of tenants’ organizations.
The advisory board of tenants and housing associations, representing the Ministry of Housing, Regional Development and the Environment, the umbrella organizations of housing associations, and the Dwellers' Union, is of the opinion that all parties will gain, if representative tenants' organizations perform well locally, regionally and nationally on estate level as well as on institutional level.

Tenants and housing associations should contribute financially to realize such a situation. Furthermore, the board proposes to install a national stimulation fund for developing and strengthening the tenants' organizations.

3 THE ANALYSIS

Referring to the paper we presented last year in Budapest (Beekman & Smeets, 1993), here too we make use of the set of instruments from the network approach to display the new structure of housing on the local level.

In the Budapest paper the set of instruments is used to evaluate the consultation structure in the transition from urban renewal to neighborhood management.

Given the redivision of responsibilities and the increase of interdependency which the recent privatization of Dutch housing has caused, the set of instruments from the organization theory seems also ultimately capable to analyze consultation structures of housing on the local level.

Moreover, the network approach is adequate because it is a reaction to an approach in which the government was functioning as the central steering institution.

In the aforementioned paper a set of instruments is described extensively; here it is sufficient to mention the most important elements from these instruments (Snellen 1986, Kickert 1991, Teisman 1993):

- **Actors**: parties, public and private organizations, which are involved in the process of housing and which can be indicated by the concepts of role perception, of means and of dependencies;
- **Network**: a combination of actors who represent their own views, targets and positions. Networks do not have a stable structure; there is no mention of centrally guided actors with a common aim. By means of a continuous interaction process compromises are looked for on the ground of which joint action can be undertaken;
- **Definition of position**: the selective view of an actor on the process or the project, the meaning of the process/project for the targets of that party, and the degree to which he/she depends on third parties for attaining his/her targets;
- **Decision forming**: a process aimed at the reformulation of actors' 'definition of
position' in a way as to match decisions to one another and to reach a common
definition of position;
- Continuing interaction: continuity of decision forming;
- Linking: the sustenance of the interaction among actors;
- Intermediair: a person who realizes linking;
- Arrangement: a framework for consultation in the form of agreements, contracts or
partnerships;
- Arena: a temporary forum, where interaction takes place among a definite part of the
network.

Each actor in a network has his own normative aims, targets and interests. The actors try to
get hold of instruments with which they can direct other actors.
The reason of existence of a network is interdependency. The network represents a basic
structure for the exchange of information, money and goods. Snellen (1986) distinguishes
three fields of tension in the network:
1 dependency - independency;
2 convergency - divergency;
3 cooperation - conflict.

To make the field of tension manageable he perceives several possibilities:
'consensus making', 'diminution of the need for consensus' or 'conflict avoidance'.
De Bruijn & Ten Heuvelhof (1991) too state that the diminishing of the dependencies is a
effective strategy. In other cases making use of the dependencies is seen as the best strategy.

De Vries (1992) makes a distinction between three types of targets:
- corresponding targets: different parties have identical views and opinions (for example
  in regard to the amount of dwellings, the households etc.);
- crossing targets: parties pursue different, non-corresponding targets without getting
  into a conflict (for example expansion of the housing stock and maintenance of
  dwellings);
- conflicting targets: different parties are coming into conflict with each other (for
  example in regard to price and quality).

By adding the variable 'balance of power' (dominance of one party or a situation in which
the power is in balance) De Vries can distinguish nine types of target/power situations:
- when the targets are corresponding "cooperation" is possible, even in a situation of
  dominance of one of the parties;
in the case of crossing targets "indifference" in policy making is possible;
in conflict situations the power-balance is deciding.

Teisman (1992) proposes the following suggestion as to improve the decision making process:
- strive for target correspondence;
- create adhocistic arrangements;
- intensify the interaction by means of process management.

The quality of this interaction process is characterized by Teisman (1992) with the concepts of 'target interweaving', 'linking' and 'arranging'. Target interweaving refers to the efforts of the different actors to force a common motivation. In order to get target interweaving, interaction should take place. The maintenance of the interaction between the different organizations and actors is called linking. The concept of arranging refers to the creation of a framework for the cooperation in the form of appointments, contracts or partnerships.

4 THREE CASES OF LOCAL INTERACTION

4.1 The position of tenants in the bilateral interaction between the local authority and housing associations in Tilburg

In Tilburg we have an example of bilateral consultation between the local authority and the local umbrella of housing associations (the Housing Corporation Union of Tilburg c.a.). This consultation between housing associations and the local authority is one of many arena's in the local housing-network. In Tilburg also exist bilateral consultation-forms between the local authority and each of the individual housing associations, the housing associations and their tenants' (organizations) and the local authority and inhabitants' organizations.

In this paper we will restrict ourselves to the relation between the local authority and the Union of housing associations because this relation has acquired the most concrete and formal implementation and will set important conditions to local housing.

The local authority and the Union have signed in February this year a letter of intent, which should lead - after the municipal elections and the installation of the new local government - to a formal arrangement: a covenant.

The preparation course preceding the letter of intent lasted about 1½ year. During that period intensive interaction took place, guided by an external intermediair (a consultant
The actors in the arena (the local authority and the representative of the housing associations) have reached an agreement on the procedures and the contents of their cooperation.

The procedures relate specifically to the implementation of the juridical monitoring of the housing associations (in accordance with the aforementioned BBSH) by the local authority. The actors have agreed on an uniform structure of the recurrent annual housing report and on the monitoring frame for Decisions of Considerable Interest.

Concerning this part of the covenant the targets of both actors were convergent: clearing up the procedures regarding to the decisions of considerable importance and in this avoiding conflicts about it in future. In this agreement it is not a matter of exchange of competencies but rather a more specific definition of competencies.

The agreement concerning the juridical monitoring is distinguished expressively from the performance agreements concerning the strategic supply policy. The performance agreements concern the reciprocal obligations, which go beyond the parties’ juridical obligations. In this case we can speak of an exchange of competencies.

The performance agreements guide in broad lines the policy of the actors involved. The local authority as well as the housing associations keep their responsibility for the implementation of the policy and for the fulfillment of the set of performance requirements.

In Tilburg the housing associations have committed to maintain the volume of the low-rent housing stock and to allocate a fixed part of these cheap rental houses to households with low incomes. In exchange the local authority intents to sell land to housing associations and consult about the input of resources (subsidies e.g.) for new constructions in the social housing, to liberalize the existing long-lease contracts and to make every effort to involve commercial landlords to accommodate asylum seekers. These performance agreements are temporary. The interaction during the period that the performance agreements are in force will be intense, so the covenant is primarily an ad hocistic arrangement. Less attention is paid to the long-term, continuing interaction, although some aspects of the long-term (continuing) interaction are arranged (the exchange of information for instance).

There is absolutely no participation of tenants in the establishment of the arrangement between the local authority and the housing associations (at the very most through the municipal elections or, in exceptional cases, through the right of advice within the organization of the housing associations).

Moreover the position of tenants is not a subject over which performance agreements are made. The housing associations do not wish any intervention in their relationship with tenants. They do however, realize that a bad relation between one of the housing
associations and its tenants can frustrate the decision forming concerning the covenant (it is a potential factor of failure).

The role of the local authority in the relationship between housing associations and their tenants is restricted to monitoring on the basis of the annual report of the housing associations. The housing associations report on its activities concerning the founding of tenants' organizations, the facilities which it offers to the tenants' organization, the frequency of consultations with the tenants' organizations and the subjects of the consultations. The local authority awaits initiatives from the housing associations concerning these responsibilities.

In the letter of intent between the local authority and the housing associations the perception of the tenant can be described as 'an occupant with certain features, of which income and origin are the most relevant'.

The local authority at this moment is finding out whether the existing urban inhabitants' organization can be a competent party to deliver a qualified advice in the monitoring of the housing associations. In that case the tenant is rather considered as a 'consumer'.

4.2 The participation of tenants in a multi-lateral arena in Helmond

Helmond is one of the few Dutch cities where multi-lateral consultation takes place concerning the management in broad lines of the housing policy. All actors in the local network (the local authority, the housing associations, the urban forum of inhabitants' organizations, three other organizations which advocate the interests of specific groups of inhabitants and commercial landlords) participate in this arena. The consultation has been formally arranged in a so-called Housing Commission, in attendance with article 62 of the Dutch Municipal Act (an advisory board, established by the municipality itself). The consultation in the Housing Commission can be considered as a continuing interaction (it is not established for just a short period of time).

The most important consultation subject in the Housing Commission is the allocation of dwellings. Furthermore the Housing Commission advises the mayor and the councilors on other housing matters (the allocation of the local budget of subsidies for new constructions and renovation, the accommodation of asylum seekers and the framework for the housing policy).

At the moment the allocation of the dwelling space is privatized (the responsibility for policy development and -implementation will be transferred to the housing associations). The competence of the local authority will then be restricted to setting conditions and to monitoring the housing associations. The Housing Commission (in which the housing associations are represented!) should advise the local authority on its monitoring tasks.
In the Housing Commission the tenants are represented by the forum of urban inhabitants' organizations. This forum consists of about 25 persons, who originate from the urban renewal committees in the neighborhoods.

The forum of urban inhabitants' organizations is a cohesive, independent functioning group. Feedback to the backbenchers (the neighborhood-committees) is not organized and does not very often take place. The forum justifies its position as a representative of tenants in two ways: on one hand with their knowledge of the complicated housing structure and on the other hand through a recent large-scale survey among tenants. The results of this inquiry form the basis for the standpoints of the forum in the Housing Commission.

The forum (as a representative of inhabitants) is specifically invited by the local authority to join the Housing Commission, in order "to underline the maturity of the dwelling consumers".

The forum however is skeptical about its influence in the Commission. Two actors in the Commission, the local authority and the housing associations, are usually involved in the preparation of the proposals to be discussed in the Commission, so they provide the structure of the contents of consultations. Formally, equivalence exists among the participating actors in the Commission but the unequal (financial) means, responsibilities, knowledge and involvement in the policy preparation lead to inequality of power.

Like in many other platforms in which consumers participate, the role of the forum in the Housing Commission is mainly to present the producing parties (local authority and housing associations) the opportunity to sense the consumers reaction to policy changes. In particular the local authority attaches great value to the this information and therefore functions as the intermediair in the Housing Commission.

By the forum of inhabitants' organizations the bilateral consultation with other actors is considered more important than the multi-lateral consultation in the Commission. Successes in this context are the uniformity of moving- and reinstallation allowances and of the rental contracts.

The bilateral consultation of the urban inhabitants' organization with two housing associations has resulted in the institution of statutes for the participation of tenants. In the participation statute of one of the housing associations the position of the tenants' organizations on corporation-, neighborhood- and estate-level is established. Tenants can advise the housing association in all matters of management and policy, requested or unrequested. In matters of certain subjects tenants' organizations have the qualified right of advise. These advises of the tenants should be implemented by the housing association or may only be deviated on the basis of motivations. On a few subjects the tenants have got the requested right of advise (the corporation is obliged to request the qualified advise) or the
Besides the representation of tenants in the Housing Commission, tenants also participate in the multi-lateral consultation concerning neighborhood management and quality-improvement of the dwellings. In this case the input, involvement and influence of tenants' organizations are better. As we all know, the subjects concerning the dwelling and the neighborhood are more concrete and appealing than the abstract, complicated and large-scale themes of housing. In the participation-statutes of the housing associations the rights of the tenants are the most far-reaching on quality-improvement of the dwellings.

4.3 Power to the tenants in the bilateral interaction with housing associations in Loon op Zand?

In Loon op Zand we find pioneers of implementing the bilateral consultation between the housing association and the tenants' organization. This consultation is arranged in a covenant, that exists since the beginning of this year. In the covenant the continuing interaction between the housing association and the tenants' organization is arranged. In terms of Teisman we can speak of an 'intensification of the interaction by means of process management'. Essential in the covenant is the obligation for the housing association to treat advises of the tenants' organization into consideration, to accept these advises or otherwise to deviate them with relevant motivations (this is the qualified right of advise).

The tenants' organization was established in the beginning of 1992. The targets of this tenants' organization (the so-called 'Huurdersbelangenvereniging', abbreviated as HBV) are (amongst others):
- to guarantee the legal status of the tenants (in dwellings of social as well as commercial landlords);
- to promote the collective efforts in improving the quality of housing;
- to promote the well-being of the immediate environment of the dwellings.

Comparing the targets of the tenants' organization to the targets of the housing association, we see that they are in some ways conflicting and in other ways corresponding. The corresponding targets (especially the 'promotion of collective efforts in improving the quality of housing') are the basis for the covenant, besides of course the juridical obligation for the housing association to communicate with its tenants.

Even concerning the conflicting targets, the covenant can be effective for the tenants'
organization. By making performance-agreements about participation the tenants' organization materializes its juridical (but abstract) rights on participation.

In policy choices concerning specific neighborhoods or estates consultation preferably takes place between the housing association and tenants' committees which operate on that lower scale. The housing association and the HBV together promote the founding of tenants' committees. The introduction of neighborhood-oriented housing stock management would offer an important impulse. By requesting the response of tenants in neighborhoods and estates to actual plans concerning their dwellings and neighborhood (in which are corporated the Quality-policy and the Rental policy), the housing association and the HBV hope to enhance the engagement of tenants. This might lead to the founding of tenants' committees and to the continuing interaction between the housing association and these tenants' committees. The most important benefit of such an interaction is the possibility to deliver custom-made policy.

The eventual interaction between the housing associations and tenants' committees is conditioned by the agreements which have been made between the housing association and the HBV. The HBV is responsible for the transfer of these binding agreements to the tenants' committees.

The procedures of the consultation on a lower level will be implemented in the spirit of the covenant.

The corporation (in the 'Plan of Action to involve the tenants in the rental policy') as well as the HBV (in the 'Plan of Action for 1994') distinguish the position and rights of tenants at different scale levels:

1. The individual tenant: in matters of general and specific policy of the housing association the individual tenant has only got the right of information (unqualified advice). The link between the individual tenant and the HBV runs through consultation hours and the members' annual meeting.

2. The group of tenants on estate- and neighborhood level (the committees): the housing association and the HBV convene meetings in the neighborhoods where management (or renovation) plans for that specific neighborhood are introduced (the committees have the right of qualified advice and on some subjects the right of acceptance); the HBV supports the committees in the form of facilities and expertise.

3. The HBV: in matters of general and specific policy (the stock management, the rental policy, the dwelling allocation policy, maintenance policy and the participation policy the HBV has the right of requested qualified advice.
The implementation of the consultation between the housing association and its tenants follows in broad outlines the recommendations of the Commission Tenants - Landlords, that was set up by the Minister for Housing, Regional Development and Environment.

Specifically the following recommendations of that Commission are implemented in the covenant in Loon op Zand:

- The obligation for the housing association to react on advises from the HBV.
- The representativeness criteria for the tenants' organization; in the covenant concrete criteria are set on the required support basis of the HBV: at least 300 tenants of the housing association should be member of HBV (ca. 15 per cent of all tenants); these 300 members should be sufficiently divided over the diverse estates.
- The formal recognition of the HBV by the establishment of the covenant.
The financial funding of the HBV by the housing association as well as by the tenants (in Loon op Zand the local authority contributes as well); the financial dependence of the tenants' organization on the housing association and the local authority is however, greater than the commission recommends: 80 per cent of the income.

The formation of a Policy or Action Plan by the HBV.

Intermediaries in the interaction between the housing association and the HBV are the director (or the deputy) of the housing association and the chairman of the HBV (or his deputy). If necessary they can be assisted by other representatives or by a third party. The assistance of the HBV by the consultant of the national Dwellers' Union is regarded of decisive importance in the starting phase of the consultations. The housing association qualifies the advises of the HBV as "good, meaningful".

Notwithstanding the short existence of the covenant the HBV has already booked a reasonable success. It has established a lower rental sum increase than the housing association initially had planned. The HBV pleaded with success for the minimal rental sum increase (fixed by the central government on 4.25 per cent) instead of the proposed 4.50, with the argument that the housing association should first realize the quality of improvement, which it had held out in prospect. The housing association had wanted to increase the rental sum in advance to this quality improvement.

In the decision forming on another subject, the situation was reverse: arguments of the housing association were accepted by the HBV. It concerns the volume of the stock of cheap dwellings. The housing association proposed not to raise the rents of dwellings below 655 guilders above this amount, in order to maintain its affordability for the low-income groups. The HBV insisted on lowering that amount to 510 guilders (the national definition of "cheap dwellings"), but this proposal was rejected by the housing association with the argument that the number of dwellings below 510 guilders was too little and that the central government would raise the amount of 510 to 600 guilders, concerning the "affordability of dwellings".

On the next page a scheme is shown in which the three consultations in Tilburg, Helmond and Loon op Zand are related to the concepts of the organization theory. This scheme should be seen as a summary of the previous descriptions of the cases.
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<td>INTERMEDIAIRS</td>
<td>External Consultant Office</td>
<td>Usually the local authority; the other actors are able to function as intermediair</td>
<td>Director of the housing association and the chairman of the tenants' organization</td>
</tr>
<tr>
<td>TYPOLOGY of TARGETS and POWER BALANCE</td>
<td>Corresponding and crossing targets; power in balance</td>
<td>Corresponding, crossing and conflicting targets; dominance of local authority and housing associations</td>
<td>Corresponding and conflicting targets; dominance of housing association</td>
</tr>
<tr>
<td>TYPOLOGY of the INTERACTION</td>
<td>Creation of adhocistic arrangements</td>
<td>Intensification of interaction by means of process management</td>
<td>Creation of adhocistic arrangements and intensification of interaction by means of process management</td>
</tr>
<tr>
<td>TYPOLOGY of the PERCEPTION of the TENANT</td>
<td>Dweller (household with certain characteristics: income and origin)</td>
<td>Consumer, customer</td>
<td>Consumer and co-producing power</td>
</tr>
</tbody>
</table>
DISCUSSION

Viewing the recent changes in the relationship among the local authority, the housing associations and the tenants from the standpoint of the latter, the following conclusions can be made.

The necessity for consultation between tenants on the one hand and the other parties on the other hand, is particularly important for the primary target group. This group however, remains in the weakest exchange position, since it depends on the cheap housing stock.

For the secondary target group on the contrary, the necessity for consultation is less, since its position is stronger. The middle and high income groups are able to move to other market segments (the owner-occupied sector for instance).

To face this paradoxical situation, the power position of the primary target group needs to be reinforced.

Conditions for a successful participation of tenants are in general:

- involvement with the decision forming on all levels of management (the engagement on the estate level should be stimulated because on this level the tenants and specifically the primary target group are capable to articulate their needs);
- the support from the national Dwellers’ Union to the tenants in the interaction between tenants and housing associations;
- a combination of bilateral and multi-lateral contacts; the bilateral interaction with the housing association seems to be easier to achieve (in this bilateral consultation the necessity for coalition forming is not felt: entitlements can be better formulated, for instance 'the right of information', 'the right of advice' and 'the right of acceptance'); the presence of the tenants in the multi-lateral consultation however, is not less important, even when this only has the character of brainstorming or policy preparation; often, the conditions for decision forming in a later (possible bilateral) phase are created here.

It is clear that the relationships are not crystallized out. The local parties are still seeking for balance.

The question what this balance will be depends from the attitude of the central government as well. The conditions that are set by the central government influence the interdependencies in the local network and the power positions of the parties.

The government has to treat the three parties on a consistent and equal way (measurements of decentralization and privatization have to be synchronized) and has to take care that the most important condition for self-regulation on the local level will be preserved. That is: an equal position for the economically weakest party in the local network: the tenants.
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