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Nadia Caruso

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Current Neo-Liberal  
Approach and Social  
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# Policies and Practices in Italian Welfare Housing

Turin, up to the Current Neo-Liberal  
Approach and Social Innovation Practices

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# Chapter 1

## Critical Background: Social Housing and Its Development During the Decades

**Abstract** The topic of social housing and its practices is introduced and defined in the first chapter, according to its history in Europe and referring to different approaches and models developed. From the early developments of housing systems (beginning of nineteenth century), the chapter addresses the heyday of social housing in the post war (WWII) period. From the 1970s a general trend of withdrawal of the state from housing policies and social housing is recognized all over Europe. Social housing provision began to decrease and the sector opened up to economic pressures. These dynamics were studied by many scholars: in the 1990s a comparative approach was developed and became the main focus of numerous studies. Several aspects were analysed focusing especially on: housing systems and their relations with welfare regimes, neo-liberal reforms. Three perspectives were identified (juxtapositional, convergence, and divergence) and it is possible to recognize these different approaches in the various researches of a number of scholars. In the last part of the chapter the author focuses on the impacts of the world financial crisis (2007–2008), the characteristics of the current social housing and housing systems, considering particularly the context of Southern Europe and Italy.

**Keywords** Housing policies · Social housing · Housing systems · Europe · Homeownership · Rental housing · Comparative housing studies · Financial crisis · Welfare state restructuring · Neo-liberal turn · Southern Europe

### 1.1 Social Housing: Which Definition in the European Area?

Social housing is considered a tricky concept in literature. According to national and international studies and policies, the scientific community in all the European countries acknowledges the lack of a common definition. Europe is the spatial scale considered in this chapter, and the diverse meanings of social housing are due to the wide diversity of national housing systems, concepts and policies.

At a European level there is no common policy or general strategy. The European Union has no jurisdiction on housing, and there are no calls for projects or programmes that directly finance this sector. Nevertheless, European programmes acknowledge the importance of social housing and they promote strategies for urban renewal and regeneration, energy efficiency and social inclusion, exchange of good practices and networks centred on these topics. European funds can be filtered out to social housing also through programmes with a focus on care of the elderly, on people with disabilities, and on the use of efficient and clean energies. There is also a link with social services, since social housing is a facility for the public. A reference to social housing can be found in a recent EU tool designed to tackle the financial crisis, namely the European Fund for Strategic Investments (EFSI) (Pittini et al. 2015, p. 94). Therefore, social housing fits into the broader horizon of social challenges, quality of life and built environments.<sup>1</sup>

Social housing is managed by national states. Each country has its own national strategies and local plans that define the national housing systems. Despite the uniqueness of each country and their different institutional frameworks, similarities can be found in the allocation of responsibilities for providing social housing between state, private sector, voluntary organisations and households. Historically, social housing in Europe was a response to the emerging housing needs in the early nineteenth century. Industrialisation and urbanisation were trigger phenomena. The private sector, associations and enterprises promoted the first housing initiatives but many national states across Europe took over them, generalising actions and interventions to a wider scale.

Nowadays, the European context includes a combination of rental housing stock (owned generally by public actors) and a range of providers—such as voluntary, public or private associations, foundations, cooperatives and investors. This is what could be defined as social housing. Various forms of organisations provide housing, and elected local authorities—the public sector—are only one of them. The general concept is related to social rental housing but in some countries the provision of housing also includes the promotion of home ownership.

The diversity across European countries concerns size of the social housing sector (share of this stock, compared to the total amount of each country), legal and organisational forms, types of social tenures, and the housing policy framework within which social housing operates. Housing is a public responsibility but the majority of European countries have a target for their social housing. The allocation criteria can be used to distinguish countries with a specific social housing target and others where the universalistic approach is predominant (Table 1.1). The universalistic approach aims to provide the whole population with decent quality housing at affordable prices. The targeted ones, instead, refer to specific population types.

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<sup>1</sup>For more details about relations between EU programmes and priorities and social housing see the paper by FEANTSA Working Group Housing (2002).

**Table 1.1** Traditional approaches to social housing provision in European countries

Allocation criteria			
Size of the social housing sector (%)	Universalistic	Targeted	
		“Working class” or “employees”	Most vulnerable
≥20	Sweden The Netherlands Austria Denmark	Austria Poland	United Kingdom
11–19	Finland	Czech Republic Finland France	France
<10		Belgium Germany Greece Italy Luxemburg	Belgium Estonia Germany Hungary Ireland Portugal Spain

Source CECODHAS European Social Housing Observatory (2007, p. 11)

Two main sub-types of targets can be classified, precisely workers and most vulnerable population (CECODHAS 2007). These differences are related to national policies; hence, the classification can also change according to variations in national priorities. For instance, the financial crisis could have reformed some of the orientations in social housing of EU states. The classification presented in the table below (1) does not reflect the on-going processes and cross-cutting trends but the traditional approach in the respective countries.

A complete review about social housing and its main features in EU countries could be found in the publications of Housing Europe/CECODHAS, and this topic is fully analysed in scientific literature.<sup>2</sup> The most recent comparative data about social housing in Europe were collected in the 2015 report of Housing Europe (Pittini et al. 2015). Housing Europe is the European Federation of Public, Cooperative and Social Housing, (former CECODHAS—European Liaison Committee on Social Housing), a European network, established in 1988 after the first meeting of all European housing ministers to promote the right to decent housing for all. It represents public, voluntary and cooperative social housing enterprises. This organisation defined an “operational” statement of social housing:

CECODHAS considers that the primary role of social housing is to help households with problems in gaining access to decent housing on the market to find accommodation in an adequate social and urban mix. The common feature of social housing in the member states

<sup>2</sup>For references see: Ball et al. (1988), Doherty (2004), Doling (2006), Priemus and Dieleman (2002), Scanlon and Whitehead (2008).

is the existence of rules for allocating housing to benefiting households. Defining these rules for allocating housing is the responsibility of the member states and their public authorities. They are aimed at overcoming the problems of the system of allocating housing through the free working of the market, problems that result from a structural deficit of decent and affordable housing. (Czischke 2007, p. 64)

This definition could be useful to better define the concept. It is the basis to establish comparisons, analyse indicators, methods and data collection cycles.

On the other hand, in academic literature, Harloe proposed a more scientific meaning for social housing. Harloe (1995, p. 23) considers a “social question” and a “housing question,” according to capitalist industrialisation, urbanisation and developments in different countries. “One can provide only an approximate rather than universally applicable general definition of social rented housing” (ibid., p. 13). For Harloe, social rental sector means that:

- It is provided by landlords at a price which is not principally determined by considerations of profit. These landlords are usually formally limited to “non-profit” or “limited-profit” status in so far as their social housing activities are concerned. Historically, rents have usually been below the levels charged on the open market for such accommodation, although this may no longer always be so.
- It is administratively allocated according to some conception of “need” (although often not to those objectively in the worst housing conditions). Ability to pay can be important but in contrast to private market provision, is usually not the dominant determinant of allocation.
- While political decision making has an important influence on all aspects of capitalist housing provision, as do market forces, the quantity, quality and terms of provision of social rented housing are more directly and sharply affected by the former than the latter, relative to other forms of provision. Government control over social rented housing is extensive and increased as it became a central feature of state housing policies (ibid., p. 13).

According to these two different approaches (operational and scientific) to social housing, it could be defined as a response to “housing needs” (defined in every national/local context) through:

- guaranteed access to dwellings with supply or demand-side subsidies;
- process of allocation according to social and economic criteria;
- involvement of public authorities and/or not-for-profit organisations.

This broad definition could be used both for the past interventions and the current ones. Considering recent housing initiatives, other features could be added, such as more attention to the place-specific characters, quality of external and internal spaces (green technologies), and specific care for social and urban mix (environment, services, infrastructures).

## 1.2 Social Housing Development: Trends and Phases

Following the definition of social housing, a brief summary of its phases and reforms is presented in this second section.<sup>3</sup> The sector developed during the nineteenth century in Europe and has been extensively studied by various scholars.

### 1.2.1 *Early Developments in Housing Systems*

Reformist housing policies developed as industrialisation and urbanisation progressed in Europe during the nineteenth century. In most European countries, housing reforms focused on urban areas, and variations in the level and form of industrialisation and urbanisation influenced the timing and extent of the response.

Politicisation of the housing issue was observed in the late nineteenth century in all European countries, and focused on public health concerns, however, also reflecting the growth of labour movements and their objectives of improving the living conditions of the working class. In the late nineteenth century, despite concerns for urban sanitary conditions, there was an overwhelming dependence on the private rental market for provision of housing. Charitable and religious institutions and employers became the providers of early small scale interventions in order to deliver better rental housing. Focus was also on self-help and home ownership. State intervention was viewed as a temporary expedient to stimulate market provision.

By 1930 there was a widespread state intervention in urban problems including housing conditions, overcrowding and sanitation. This action took a wide variety of forms without a clear separation between public and private, or a consistent level of state involvement. Co-operative housing movements became important in Scandinavia, especially in Sweden, though they were still small scale. This period also saw the widespread growth of home ownership, individual, commercial and state sponsored. The impact of these policies remained quite limited in numerical terms. Nevertheless, these interventions formed the basis for the much higher level of involvement in housing provision in most European countries after World War II.

### 1.2.2 *The Post-war Period and Heyday of Social Housing*

A broad range of scientific literature on comparative housing has traced the growth of state involvement and investment in housing to after World War II. This growth

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<sup>3</sup>The working paper on housing of Stuart Cameron for the research project DEMOLOGOS (<http://demologos.ncl.ac.uk/wp/wp1/disc.php> last access on the 24th of February 2016) summarises the housing sector's development in Europe.

can be recognised as a response to the massive destruction caused by the war, the gap in building and the neglected housing stock. There was a huge increase in housing demand arising from the post-war baby boom. Moreover, the heyday of social housing was also the outcome of political change, namely the belief that the private sector could not adequately respond to the housing crisis and the dissolving limits of state intervention due to the needs of war and post-war reconstruction. The political system secured the rising extensive welfare state onto the capitalist economic system.

Priemus and Dieleman (1999) summarise the post-war period and housing situation in European countries by considering the housing shortage. The housing sector experienced a five-year standstill during the war, and many dwellings were either destroyed or severely damaged. In a situation in which both capital and skilled labour were scarce, in 1946, 20 million Europeans were facing an acute housing need according to the United Nations (Priemus et al. 1993). Resources for the reconstruction process were allocated to projects in various fields, such as the production sector, infrastructures, urban development, transport, and control of natural hazards. The reconstruction of the economic base was the first and main concern that surpassed the construction of dwellings (Priemus and Dieleman 1997). In all Western Europe social housing was used as a trigger for the development of the real estate sector and to sustain post-war reconstruction. “The housing situation was complicated by the fact that rents had been frozen during the war and then subjected to rent controls after 1945 at a level that was below that of market equilibrium. There was thus no incentive for private investors to finance new housing. [...] Only a few countries most notably Germany saw right from the start how the commercially rented and owned sectors could serve social ends” (Priemus and Dieleman 1999, pp. 623–624). According to these authors, in the 1950s and 1960s social housing systems developed with some common features:

- social housing was seen as a construction issue rather than a management responsibility;
- national policies were concerned with the number of units built, paying scarce attention to quality and variety;
- housing estates were chosen to build social housing, and the link with local economy, local community or existing facilities were considered to a lesser degree in the projects;
- the general approach to social housing was bureaucratic; housing development was considered as a matter of administrative planning and allocation process. The use of public budgets also brought a highly politicised character (ibid.).

For instance, “several of the estates that were built when the social housing concept was at its height have survived along with the institutions associated with them only to become a problematic sector in the 1980s” (Priemus et al. 1993, p. 16).

During the 1950s and 1960s the heyday of social housing coincided with the heady days of welfare state. In almost all Western European countries, the public sector’s share in GDP exceeded 40 % by 1975 (ibid.). Housing expenditure

comprised 10–15 % of national public spending budgets. Social housing absorbed the majority of public resources. In the UK, the sector continued to grow in the 1970s; in Sweden and in the Netherlands, it remained strong until the 1980s. The persistent housing shortage and the scarcity of investment capital caused the sector to grow. Many governments in the European area started to promote the construction of relatively inexpensive social housing. A Keynesian approach to economic development influenced many national governments. Their intervention in the housing market and social housing finance continued even after the most acute housing shortages had been relieved.

This generalised involvement of the state in housing as part of the welfare state expansion involved a great variety of forms and mechanisms. Expansion of social housing, although important, was not the only expression of greater state involvement. Approaches and actions differed among European countries but Priemus and Dieleman (1999) recognised two common features from the 1950s to the early 1970s:

- public support was oriented towards property, financing or subsidising the building process, rather than towards individual households;
- the construction of social rental housing was organised through either public budget or banks or financial institutions created expressly for social housing, providing capital at low interest rates.

Private investors and developers were reluctant to invest in rental housing to be operated for profit. In fact, during the first decades after World War II, average inflation rates were high, while rents remained relatively low under the regimes of government rent control (Feddes and Dieleman 1997). Rent control represented a negative aspect in the heyday of social housing (Priemus and Dieleman 1999). It had a strong impact on several fronts, as it generated a need for property subsidies in order to attract investments, housing quality was limited in favour of quantity, and the housing shortage was also affected by long waiting times and difficult allocation rules. The outcome was a remarkable contrast and distance between social rental housing and market-oriented owner-occupied housing, while the burden on public expenses tended to grow (*ibid.*).

This growth of social housing took place mainly in the northern and continental countries of Europe (and with differences among them). Eastern and Southern Europe presented different forms of intervention and different outcomes. In Eastern Europe, communist governments shaped housing policies with a specific political orientation, and this resulted in the construction of a huge stock of public housing that disregarded market trends. After the political change (1989–1991), the housing stock was privatised and informal constructions were built in response to new housing needs. Southern Europe, instead, was not promoting social housing as a long-term policy. In countries like Italy, Spain and Portugal, few financial resources were invested in response to the pressing economic and housing need. Moreover, Southern Europe was rarely included in academic comparative studies (Allen et al. 2004),

and main case studies concerned northern or continental housing systems and approaches.

### ***1.2.3 The Social Housing Crisis and Comparative Housing Studies***

During the 1970s the European housing systems faced a change in trend and the national housing policies started to unravel. The social housing decline intertwined with a general state restructuring process. According to Peck and Tickell (2002), state power and control “rolled back.” Doherty (2004) traced the origins to the economic crisis of the early and mid-1970s. In 1973, the rising oil price induced a global economic crisis but also a crisis in the social and political structure of Europe and other industrialised nations. “Not only housing but also the entire state welfare edifice, constructed and enhanced over the previous 30 years, came under scrutiny” (ibid., p. 253). Social housing has been a victim of budget cuts implemented by national governments.

Considering the demand, some changes in the conditions of tenants took place. In the 1960s and early 1970s employment rates were high, and tenants in social housing projects were reasonably well-off. By the early 1980s, households with jobs and good incomes exited the sector, and there was a growing influx of ethnic minorities, poor and jobless people. The average income declined and the unemployment percentage rose. In the UK and in other countries, the marginalisation process of social housing became an issue. Only in France, Netherlands and Sweden (for the time being) the market share of social rental housing continued to grow. However, these changes were tangible and concrete but not uniform features in all European countries. They depended both on new roles and responsibilities taken on by states (locally and centrally), but also on socioeconomic changes (demand conditions). “Social housing systems of west European countries have become increasingly diverse since the 1960s, when slum clearance and urban renewal were ubiquitous. In the 1970s, the emphasis shifted to renovation and rehabilitation, especially of pre-war housing” (Priemus and Dieleman 1999, p. 625).

An ageing population and an increased rate of household formation were the other emerging socio-demographic transformations. These changes, which became more evident across Europe during the 1980s and 1990s, placed new and unforeseen demands on welfare functions, including housing. Social rental housing was not ready for these demands and the housing systems were found to be wanting. Many countries have witnessed a decline in the provision of social housing. There was a trend towards housing becoming more market-oriented, competitive and open to economic pressures. Doherty (2004) confirms that by the mid-1990s the withdrawal of the state from housing provision was evident. Several new projects and programmes were set up by national states, namely home ownership programmes



(“right to buy”), promotion of low-cost home ownership, reduction or cancellation of new social housing developments, and the shift from building subsidies (“bricks and mortar”) to targeted individual/household benefits. Supply subsidies to social housing were replaced or complemented by demand-side subsidies through housing benefits and vouchers.

Since the 1990s, housing studies reflected the orientations of research on welfare in Europe, and the change in role of states regarding housing policy and housing provision has been underscored. The rise in comparative housing studies was one of the major trends in housing research from the 1990s (Doling 1997). From an initial descriptive approach, comparison structured within a more theoretical framework has been developed.

Kemeny and Lowe (1998) reviewed the studies and identified three “schools”:

- a particularistic, empiricist approach, which they called “juxtapositional”,
- a universalist and global approach defined as “convergence” perspective,
- and, between these two extremes, approaches that integrate theories and empirical research referred to as “divergence” perspectives.

In the first approach, which is juxtapositional, there are studies which juxtapose housing systems of a number of countries but which avoid any attempt at generalising. Research methodology is usually linked to empiricist research. One country is the starting point of the research and this tends to impose an empirical reference point, exploring wider comparison.

Convergence studies have the highest level of generalisation. They point to highlight similarities between all countries; differences are “variations,” “historical contingencies” or “exceptions.” A convergence perspective commonly assumed that all modern societies are developing in a certain direction. Scholars promoting this approach recognise a significant degree of convergence in housing systems in advanced industrial countries, driven by economic forces (globalisation and post-industrial economic re-structuring), and, on the other hand, by the impact of the hegemony of neo-liberal welfare policies on housing. Typical features include withdrawal of state involvement in direct housing provision, decline and residualisation of social housing, along with the promotion and growth of home ownership.

The third approach, divergence, proposes typologies of housing systems derived from cultural, ideological, political dominance or other theories as the basis for understanding differences between groups of societies. Divergence perspectives are concerned with understanding the differences between housing systems in different countries and with the classification of housing systems. Some classifications relate specifically to housing, while others draw on more general schema. For instance, the model of Esping-Andersen’s “Three Worlds of Welfare” (1990) has been a particular focus of discussion. Divergence studies adopt a more qualitative, sensitive and historically grounded approach and are less locked into particular methodologies. Therefore, these studies require research typology and methodology, which fit evidence as best as possible, and define convincing theoretical explanations for these differences.

The sections below provide a detailed explanation of the two main approaches (convergence and divergence), showing various national examples.

### ***1.2.4 Convergence Perspective and Neo-Liberal Hegemony***

Convergence studies are based on the idea that all housing systems are moving and converging in a similar direction.

The most recent theories have as common direction regarding housing systems the withdrawal of the state from welfare provision, which strengthens the role of the market as proposed by neo-liberal ideology. Typical features of this “roll-back” are processes, such as the reduction in new social housing dwellings, the shift of subsidies from object (new buildings) to targeted households, privatisation of social housing, expansion of home ownership and disappearance of protected separate housing institutions and financial circuits.

The patterns of change in national housing systems are reported in many countries, including the ones associated with social-democratic welfare models, like the Netherlands and Sweden. Housing policies were particularly targeted by neo-liberal welfare reforms, in comparison with health and education. “Differing developments within housing than in other spheres of social policy could also be explained by the fact that housing policy goals are closely linked to arenas other than social policy, including family policy and regional policy, which change over time and are weighted differently in different countries” (Stamso 2010, p. 67).

One of the first comparative studies to adopt the convergence hypothesis was “Housing and Social Change in Europe and the USA” by Ball et al. (1988). They studied the impact of neo-liberal policies on housing, and how major restructuring of housing provision began to occur after the collapse of the post-war boom. The impact of the restructuring process is making housing less accessible and less affordable. A cross-national and historical analysis suggests its generalised nature. Not only was the social sector influenced by the withdrawal of the state intervention but home ownership became more volatile and expensive. Innovative forms of housing provision were also examined and the authors argued that these innovations might provide new, less bureaucratic ways of meeting housing needs.

Harloe studied social housing with a historical perspective (1995). He identified a common trend examining the USA and a range of European countries: “since the mid-1970s a shift back towards a contemporary version of the restricted, residual model of social housing provision, targeted on the poor, has become evident in all the countries with which we are concerned” (ibid., p. 498). The privatisation and residualisation of social housing stock increased in various countries (even if the author acknowledged different starting points and paces of change). Harloe’s assumption is that social housing will only develop when mass housing provision becomes unprofitable for private capital.

Doherty focussed on comparative housing studies in his paper (2004), analysing how neo-liberal policies affected different European countries (Belgium, France,

Germany, Ireland, Sweden and UK) and their housing systems. His intent was to examine the changing role of the state in relation to welfare provision and housing. This study issued from an observatory about homelessness. The effects of neo-liberal policies are path-dependent and related to each institutional and legal context but the results of the comparative study allow to understand different aspects of neo-liberalism. If the impact of neo-liberalism as deregulation, privatisation and public-private partnerships is acknowledged, the overall outcome is not always the shrinking role of the state. Terms like “restyling”, “restructuring” and “reordering” show, according to Doherty (2004), the complex scenario and the on-going processes. There are still some modest state-implemented actions to correct the market (Doherty referred to specific case studies, namely Ireland and Belgium). Therefore, the state confirms its role as key actor in the provision of social housing.

Another study of the balance between state and market was conducted by Barlow and Duncan (1994). Studying neo-liberal reforms in the housing system of Sweden, they recognised pluralism and flexibility between housing forms and state/market mix as the most effective and efficient basis for housing provision.

Developments in the housing sector, with its growth, heyday of social housing and phases of residualisation, are often studied also in relation to the Marxist theory of commodification/de-commodification (and “re-commodification”).<sup>4</sup> This theoretical approach has been used to describe cyclical trends in housing policy (many authors refer to them relating housing and welfare, like Esping-Andersen and Kemeny<sup>5</sup>). A specific contribution was made by Doling (1999), who focused on de-commodification by evaluating housing systems.

### ***1.2.5 Divergence Perspective and Welfare Regimes***

Esping-Andersen’s classification of welfare regimes (1990) has been a starting point for a number of examples of divergence models in housing, as in various areas of social policy. Nevertheless, housing is strikingly absent from comparative

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<sup>4</sup>Commodification is the transformation of goods, services, and ideas (or things that may not normally be regarded as goods or services) into a commodity. It is used to describe the process by which something that lacks economic value is assigned a value and, hence, how market values can replace other social values. De-commodification comes from the idea that in a market economy, individual persons (and their labour) are commodified. Labour is the individual’s primary commodity in the market, and de-commodification refers to activities and efforts (generally by the government) that reduces an individuals’ reliance on the market (and their labour) for their well-being. De-commodified products can be associated to welfare. Theories about commodification were developed by Marxist scholars.

<sup>5</sup>For instance, the unitary model theorised by Kemeny refers to a substantial element of de-commodification of housing outside the social sector (for more information regarding Kemeny’s models, please see the section below on the divergence perspective).

welfare studies, since its special position within welfare causes analytical issues (for instance, Esping-Andersen's book contains no reference to housing).

Esping-Andersen's classification is based on indicators for welfare expenditure, taxes, growth and employment; it defines three ideal welfare types:

- Social-democratic welfare state regimes. Welfare provision is dominated by the state and involves generous, comprehensive, highly redistributive forms of provision. The approach can also be defined as "universalistic" because public welfare services are provided also for the middle class and involve a large part of the population, adopting a similar approach to Nordic welfare states, like Sweden.
- Corporatist welfare regimes. The level of involvement in state welfare provision is intermediate but more segmented, less re-distributive and preserves traditional status hierarchies and family structures. The state shares responsibility with non-state agencies, employers, churches, and trade unions. This regime approaches countries such as France and Germany.
- Liberal welfare regimes. State involvement in welfare is limited, with a strong preference for market mechanisms. The state provides only a residual "safety net" in terms of welfare, which is not re-distributive and may be socially stigmatising. This third category is usually linked to Anglo-Saxon countries, especially the USA and the UK.

Kazepov (2005) highlighted how the three regimes have not only different market dependence/independence relations, but also their outcomes are differentiated in terms of social stratification and inequality. If the liberal regime distinguishes itself for greater market-dependency and a higher degree of inequality, the conservative regime can be identified by an intermediate condition with a tendency to maintain the status quo. The social-democratic regime is, instead, recognised by lower market-dependency and higher redistribution.

A number of housing studies focus on these three perspectives.<sup>6</sup> For instance, "welfare regimes" were often confused with "welfare systems" without addressing the theoretical basis of this schema (Kemeny 2001). Esping-Andersen's typology does not only trace empirical data but derives from a class theory of power and the construction of inter-class alliances, deliberately using the concept of "welfare regimes." Power structures and class-derived power relationships shape the regimes (social-democratic, corporatist and liberal) that generate welfare systems called de-commodified, conservative and residual, respectively (ibid.). An important distinction is that the system is the dependent variable, whereas the welfare regime is the independent variable, it is the constellation of power relationships that produce a distinctive welfare system.

From Esping-Andersen to Sapir (2006), various attributes were considered to define the classification, and more detailed differentiations were explored. If some differences can be detected in the various approaches, the categories are still almost

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<sup>6</sup>For an overview of the debate on Esping-Andersen's contribution, see Arts and Gelissen (2002).

the same. Four main welfare families can be identified, namely Scandinavian, Anglo-Saxon, Continental and South European. Each nation's path in the development of the welfare state can be traced to today's policies. "In the eyes of country specialists, the dynamics of persistence clearly overshadow those of convergence. However, as the rich literature on welfare state "models" (or regimes, or types) has shown, certain countries are less dissimilar than others. In fact they share a number of institutional ingredients that are systematically linked, producing a distinct "logic" of development over time and that, today, pre-structure in similar ways the reform agenda, in terms both of constraints and opportunities" (Ferrera et al. 2001, p. 20).

Various attempts to apply the welfare regime model to national housing systems were proposed during the years by different scholars (Barlow and Duncan 1994; Hoekstra 2003; Murie and Musterd 1996). The path-dependent character and the "persistent" features of the housing systems still show the main distinctions among welfare regimes, for instance, between the Nordic systems and the Southern ones. Social housing in the UK or in The Netherlands or in Sweden, despite the state withdrawal trend, is still part of a clear system of norms and regulations, while in Italy or Spain the situation is quite complex, often made up of local situations and diversities. Nevertheless, one of the main criticisms to Esping-Andersen's work is that Mediterranean countries are not included in his study. Spain, Portugal, Italy and Greece are not considered. A typology of welfare in Southern Europe is introduced by Castles and Ferrera in the mid-1990s (Castles and Ferrera 1996; Castles 1995; Ferrera 1996). Common features among those countries include:

1. a highly fragmented and "corporatist" income maintenance system, displaying a marked internal polarization: peaks of generosity (e.g. as regards pensions) accompanied by macroscopic gaps of protection;
2. the departure from corporatist traditions in the field of health care and the establishment (at least partially) of National Health Services based on universalistic principles;
3. a low degree of state penetration of the welfare sphere and a highly collusive mix between public and non public actors and institutions;
4. the persistence of clientelism and the formation (in some cases) of fairly elaborated "patronage machines" for the selective distribution of cash subsidies. (Ferrera 1996, p. 17)

The linkages between welfare regime and housing system in Southern Europe were studied some years later, comparing them to Northern and continental countries. Allen et al. (2004) started analysing Esping-Andersen's classification and his data and assumptions. The main findings of the research explore three features of relations between welfare state and housing provision in Southern Europe, namely the state's civil administration capacity, the irregular and informal labour market, and the importance of family ("familialism"). The social context of those countries is the main crux to distinguish Southern Europe from the rest of European countries.

Arbaci (2007) studied the threefold relationship between welfare, housing and the topic of (ethnic) segregation with a comparative approach to 16 European countries, also including Southern Europe and using four welfare clusters as ideal-typical analytical tools. The author argues that housing systems, according to their welfare regimes, have differently influenced scale, nature and socio-spatial differentiation of urban contexts, and the degree of social and spatial segregation, owing to the analysis of housing tenures, and forms of housing production and promotion.

In more recent years Malpass (2008) focuses on a distinction regarding the concept of housing, which can be considered as “wobbly pillar” of the traditional welfare state, or an important cornerstone of a new welfare state. The image of “wobbly pillar” derived from the initial welfare state’s form and its first transformations. Therefore, welfare state is considered as a set of public services, but lastly changed up to “the fact that in the majority of countries most people continued to acquire housing via the market mechanism left social housing sectors prone to residualisation (the tendency for social housing to decline in scope and size, and for concentrations of low income, benefit-dependent households to increase)” (ibid., p. 3). Increasing home ownership and tenure restructuring are part of the modernisation process, underpinning strong relations between housing and a later phase of capitalistic market economic development.<sup>7</sup> “In terms of the housing-welfare state relationship, the tenure restructuring perspective provides an account of why social housing is prone to residualisation, but it must be admitted that restructuring is seen as a process that was well under way long before the rise of the post-1945 welfare state, and that would have proceeded in much the same way even without the welfare state” (ibid., p. 4).

Conversely, Kemeny (1981) and Lowe (2004) consider housing as an external sector of traditional welfare. They stated international correlations between home ownership rates and level of welfare state expenditure. If housing is a key determinant for welfare state development, the emphasis is on social and cultural factors over economic forces. “The thesis, as explained by Kemeny, was that in “home-ownership societies” (the US, Canada, the UK, Australia and New Zealand), where buying a house was the norm, the high costs of purchase, concentrated in the early years of independent adulthood, led to voter resistance to the levels of taxation that would be needed to fund an extensive welfare state. It was also argued that homeownership provided a way for families to manipulate their lifetime budgets, effectively minimising non-housing expenditures in the early years, in the knowledge that in later life housing costs would become minimal, thereby helping to eke out a low pension” (ibid., p. 5). The accumulation process has offered people the opportunity to pay for services and pensions; hence, housing wealth becomes a key resource to pay for welfare needs.

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<sup>7</sup>References of this thesis are papers by scholars like Harloe, Torgersen, Murie and, obviously, Malpass.

An alternative model to Esping-Andersen's one proposes a division of housing systems into unitary and dualist. Kemeny (1995) defined this schema and its main difference by stating that unitary systems treat public and private sectors in a co-ordinated way, while dualist systems do not. Despite the distinctions between housing tenures, this model discards and criticises the idea that it is useful to divide housing systems by merely considering the balance of private and social housing. In fact, one of the features of unitary regimes is a flexible approach to housing tenure. The distinction between unitary and dualist systems is, in part, built on the way they deal with the low historical cost. In unitary systems, the availability of cost rents in an open social sector is used to reduce private-sector rents, forcing private landlords to use the accumulated capital value of the dwelling for the benefit of tenants in order to compete with the social sector. Instead, in dualist systems, the social sector's ability to use low historical costs to maintain rents below market levels is seen as a problem that undermines the private sector. As a result, dualist systems typically seek to constrain and separate the social sector, even when it is acknowledged as necessary. This is implemented both through distinct subsidy regimes and rigid allocation policy, which may be stigmatising by emphasising social housing as reserved only for the poor. The imposition of market rents in the social sector may be a further step in "protecting" the private sector. Kemeny suggests that in dualist regimes this approach is ultimately associated with the promotion of home owner occupation. Whitehead (2003) explored this distinction by examining social housing policies in Northern and Central Europe from World War II.

The different studies on housing systems and social housing permitted to frame the scientific literature on this topic. The studies summarised in this section highlight different aspects and approaches, and place-specific policies, fostering a comprehensive understanding of phases, developments and trends of social housing in the European context.

### ***1.2.6 From Neo-Liberal Turn to World Financial Crisis***

The withdrawal of the State from housing support has been recognised all around Europe. This "roll-back" has affected all countries in different forms and policies. The neo-liberal turn was established not only in welfare sectors but also in urban governance and everyday practices in cities. Several scholars<sup>8</sup> pointed out this growth-oriented approach that promoted principles such as fiscal discipline, lean administration, service provision, and new public management (Brenner 2004).

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<sup>8</sup>Harvey used the term "entrepreneurial" (1989), Brenner defined the changes in urban policies with the concept of "locational policies" (2004), and Moulaert, Rodriguez and Swyngedouw referred to a neoliberal New Urban Policy in recent years (2003). They were not the only ones focusing on neo-liberalism, since the general discourse has been widely acknowledged and shared by the scientific community.

The growth-chasing economic development brought the “lock-in” of the public sector and the strong emphasis on competitiveness. New public-private partnerships were used to implement negotiations with private actors.

Housing—in its concrete form—was affected by this practical turn: “despite its language of innovation, learning, and openness, neoliberalism is associated with an extremely narrow urban-policy repertoire based on capital subsidies, place promotion, supply-side intervention, central-city makeovers, and local boosterism” (Peck and Tickell 2002, p. 395). In the last decade urban transformations were influenced by competitions between cities at a global level; moreover, large scale and emblematic urban projects were used to contrast urban decline, leading to exclusion and polarisation processes (Moulaert et al. 2003). In this framework, the market-related rationale is predominant, and projects are business-oriented and often exceptional. This phenomenon can be defined as the localisation of neo-liberal policies at an urban level. Global dynamics are localised and, therefore, have important consequences on cities and citizens.

The financial crisis in 2007–2008 exacerbated the situation not only in terms of national policy and budget cuts, reducing public expenditure and welfare, but it has also been worsening the living conditions of the population (social polarisation and marginalisation), and deepening wealth-related differences. The worldwide crisis, triggered by the financial default of USA home owners, their variable-rate risky mortgages and the subprime lending system, affected confidence in financial markets, becoming a “credit crunch” with a fall in value of bank assets, international reduction of bank lending and a wider reduction in the availability of credit (Heijden et al. 2011). World trade decreased, economic output fell and some financial institutions collapsed.

In 2008, the US credit crisis spread to the real economy and became a global crisis. The growth of the housing sector during the previous decade (1997–2006) has been tied to the global expansion of credit. This unprecedented rise in house prices coincided with the highest rates of growth of global economy on record (Kim and Renaud 2009). In the course of 2006 and 2007, the downturn of housing prices started in the USA, and in 2007 the increasing rate of housing prices also commenced its deceleration in most European countries. Though the subprime segment is quite small even in European markets, tightening credit standards on the prime market led to refusals of specific groups, such as first-time buyers. The crisis marked the end of easy credit, and the ramifications of US sub-prime mortgages are unfolding across the world.

Since housing is a major sector in national economies and it represents the largest share of household assets (except for pension claims), changes in housing prices have a significant impact on private consumption, residential construction and employment. This crisis is entangled in real estate financial mechanisms, and has nothing to do with housing demand and supply. The most vulnerable classes and the various needs of the housing demand are neglected, thus increasing housing deprivation (Caudo and Sebastianelli 2008, p. 44). The deterioration of housing affordability in most countries (USA and EU) is one of the main consequences. It has led to redistribution away from younger generations and low-income



households (who are mostly tenants), to older generations (who are more likely to be home owners). The financial crisis is leading to economic stagnation and hampering mobility on both the labour and housing market. “National governments had no choice but to bail out the banks since a dysfunctional banking system would have spelled economic disaster. Later, the same governments were more or less forced to cut public spending, not only to finance the billion-euro bail out but also to offset lower tax revenues and the mounting costs of state benefits” (Priemus and Maclennan 2011, p. 241). The fall in demand for housing has created serious problems for construction firms and the real estate sector, with an impact not only on the financial situation of developers but also on municipal budgets.

The responses of national governments to this crisis were aimed at the financial systems and also at housing systems. Clearly, they varied considerably between countries but the crisis affected both the housing sector and national growth. All countries experienced a fall in the price of GDP, house prices, sales of existing dwellings and newly built dwellings. The most common measure of the financial systems of European national governments was given by interventions in the financial market in order to restore confidence in the banking system and prevent the collapse of financial institutions. The three main measures included capital injection to strengthen the liquidity of banks, state guarantees for bank loans, and state buying of toxic assets (Heijden et al. 2011). The housing system’s measures were, instead, neither general nor common. In some countries there was no intervention, as in Germany, while others implemented several actions, like assistance and guarantee for mortgages, besides incentives for social housing construction or removal of private projects from the market. For instance, in the Netherlands, the social housing guarantee fund was increased to enable associations to buy up projects; in Flanders (Belgium), the government gave an additional incentive of 85 million euro to speed up the construction of social homes; in Ireland, the long-term lease scheme enables housing corporations to lease newly built dwellings; and in the UK, a national clearing house policy is used to remove unsold private projects from the market (ibid.). The varying responses are tied to differences in the structures of housing systems, mortgage markets, spatial planning and development systems, different ways in which real estate operates, and the turnover in the existing stock and new supply.<sup>9</sup> In relation to those features, housing systems either have or lack stabilising factors that help to recover this sector.

According to Heijden and his colleagues (ibid.), the rental sector plays a relevant role in housing market stability. The authors assumed that rents are regulated in many countries and/or there are subject subsidies or income-related rents, so the influence of economy on tenants’ ability to meet their payment commitments is

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<sup>9</sup>The differences between countries and their responses to the financial crisis are well explained in the analysis by Heijden et al. (2011). They studied five European countries (the Netherlands, Germany, Belgium, UK and Ireland), and distinguished them into two main categories, based on their housing systems, either static or dynamic. Several scholars studied the crisis in the various EU countries; for instance, Whitehead and Williams explored the situation in the UK (2011), Hoekstra et al. studied Spain (2009) and Priemus dealt with The Netherlands (2010).

relatively limited. Hence, they argued that as a result of a less vulnerable rental sector, the stability of the housing market depends on the rental sector's size. Also according to the OECD (André 2010), the volatility of housing prices is reduced by the existence of well-functioning rental market. By addressing this assumption in countries like the Netherlands, Germany, Belgium, UK and Ireland (Heijden et al. 2011), one notices that said mitigation role during a process of economic recession—like the current one—is played by the social rental sector only if it is supported by government subsidies. According to their study, only in the Netherlands can this sector fulfil such a role without government support.

If social housing and the rental sector can be considered as stabilising shares of housing systems, the situation of Southern Europe, marked by low shares of rental and social housing, presents a high degree of instability and housing hardship. According to the review of European data (Pittini et al. 2015), Southern European countries experience issues that have a deep impact:

- In Greece, which is well known for its recession state and austerity measures, public or social housing is completely absent from the frame, and private rent accounts for 21.7 % of housing solutions; homelessness is increasing, and 33.1 % of the population is burdened by housing costs; housing affordability is a problem for both rental and mortgage payments, and Greece has the highest percentage of people with arrears also regarding payment of utility bills in the EU;
- Italy too has a low percentage of rented housing (5.5 % social rent, 16.3 % private rent). The crisis has affected both the housing market and the income of the population, while banks have tightened their lending practices; the main cities and their surroundings are the most difficult areas with an increasing problem of housing affordability;
- In Portugal, the rental sector accounts for around 20 % of housing (18 % on the private market and 2 % through social support); the impact of the financial crisis is mainly on the demand side, and policy support for home ownership has led to high levels of indebtedness;
- Spain suffered a strong housing bubble due to bad internal mortgage credit. Between 1997 and 2007 housing prices increased by 232 %. In Spain, as in Ireland, the earlier boom in housing investment massively distorted the whole economy, the financial crisis caused large scale negative outcomes for financial institutions, the real estate sector and citizens. Nowadays Spain is confronted by a great number of empty/unsold dwellings, mainly owned by banks (around 600–700 thousand dwellings in 2011) and high rates of foreclosures implemented between 2007 and 2012. Public housing is a form of low cost access to home ownership. Dwellings cannot be sold on the market for a given period of time. 13.5 % of dwellings is in the private rental market, 2.4 % are in the form of reduced rent.

Before the crisis, the housing stock increased together with housing investment, and changes in household structures is currently comparatively large in Southern European

countries, while it tends to be lower in Eastern Europe (Andrews et al. 2011). The number of dwellings per inhabitant is comparatively high especially in Southern countries, perhaps due to the large number of secondary and holiday homes.

Housing mobility is low in Southern and Eastern European countries, compared to English-speaking and Nordic ones where households move twice as often (an average of 12 % households change residence over a two-year period in OECD countries) (ibid.). Residential mobility is also reduced by high property transaction costs, which are particularly large in some continental and Southern countries.

Southern Europe is historically characterised by a home ownership culture and the strong role of families (Allen et al. 2004). This situation is well represented by Housing Europe data (Pittini et al. 2015), according to which, in 2014–2015, 55 % (Spain), 58 % (Portugal), 66 % (Italy) of young people between 18 and 35 live with their parents. The financial crisis stopped the young generations' path toward housing independence and forced families to act as a replacement of the welfare state.

Housing Europe (ibid.) summarised the main housing policies promoted by EU states to address the crippled housing sector:

- programmes to support vulnerable defaulting households: in some Southern countries there were temporary moratoria on repossessions as well as legal protection for households at risk of losing their primary residence;
- changes in tax subsidies incentivising high mortgage indebtedness, such as a reduction in mortgage interest deductibility;
- rental market fostering: both Spain and Portugal reformed their tenancy law;
- social housing reforms: if some countries in Eastern Europe started developing social housing, Southern Europe, Spain and Portugal adopted plans to support new social housing provision, while Italy has implemented an on-going process of restructuring the sector and its providers; conversely, Greece cancelled the only body supporting housing due to austerity measures;
- mobilisation of the existing stock as private property for social use through tax incentives or an intermediate position between landlords and low-income households (attempts in Spain, Italy and Portugal);
- introduction or increase of housing allowances (e.g. Greece);
- programmes to facilitate access to home ownership (in Italy, programmes for young couples buying their first homes);
- introduction of a homelessness strategy (EU Parliament Resolution 2014).

Nevertheless, the EU Commission has no clear strategy on how to meet the issues that are affecting Europe (persistent high level of unemployment, poverty, housing overburden and housing deprivation) from a social policy standpoint (ibid., p. 100). The main tools are, currently, funding programmes. Therefore, considering the difficult conditions of European cities—with specific focus on Southern Europe—new cooperation systems between different sectors to address social problems and deliver integrated social services seem the only means to foster innovation and gain recognition for the sector. The co-production of responses to

daily needs takes various forms in the work of housing providers, and includes employment and skill training, advice on welfare support, and direct care provision.

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## Chapter 2

# Housing Policies in Italy: From Social Housing to Neo-Liberalism

**Abstract** This chapter summarises the housing issue in Italy, its peculiar characters are explained through the timeline from 1900 to today. Reconstructing the Italian frame shows several phases dependent from the national government's decisions, often controversial from one political coalition to another. The definition of social housing in Italy changed during the time, from a welfare perspective to the current neo-liberal one. The spatial tools and housing forms also changed according to the policies triggering them. The territorial dimension is also relevant in this definition of the context, especially considering the socio-economic divide between North and South of Italy. Today the Italian social housing definition became “blurry” in a mix of public and private practices, proposing either rental housing or home ownership, using complex financial tools.

**Keywords** Housing policies • Housing practices • Homeownership • Social housing • Italy • Welfare state restructuring • Neo-liberal turn • Urban regeneration

Nowadays “social housing” has different meanings in Italy. The traditional concept, born in the post-World War II scenario, is associated with the words ‘residential public building’ (*edilizia residenziale pubblica, ERP*), which have been used with various meanings in everyday practices, in recent years, to promote housing initiatives that draw attention to social attributes and try to cope with different housing needs.

An official definition of social housing in Italy was provided in 2008 by the national State (D.M. 22/04/2008), precisely, “mainly dwellings rented on a permanent basis; also to be considered as social housing are dwellings built or rehabilitated through public and private contribution or with the use of public funding, rented for at least eight years and also sold at affordable price, with the goal of achieving a social mix.” Hence, this definition includes different categories of dwellings, such as rental housing and home ownership, and it gives no specific details about beneficiaries or other criteria to allocate housing. The law also identifies the principle of social cohesion and states that the aim of social housing is reducing housing distress and offering housing opportunities to families and people who cannot access free market housing. Housing is considered one of the primary needs.

Social rental housing currently represents about 5.5 % of the national housing stock (Pittini et al. 2015). Traditionally, there are three main types of publicly supported housing in Italy, namely subsidised housing (*edilizia sovvenzionata*), assisted housing (*edilizia agevolata*) and agreed housing (*edilizia convenzionata*). The amount of public funding varies according to the type of publicly supported housing, as explained in Table 2.1.

Public authorities, like Municipalities and Regions, own and manage public housing stock from different points of view. Their activities have been traditionally targeted to low-income households. Municipalities own social rental dwellings and, in some cases, they also manage them directly (this is a limited phenomenon). In terms of size, although over a million dwellings were built in the post-war period, the public social rental sector never grew significantly larger. The former IACP (*Istituto Autonomo Case Popolari*), territorial housing agency, was created in 1903 with local territorial branches to manage the public stock. It is now transformed into autonomous public agencies with different legal status (nowadays they have various names according to the regional contexts). Housing cooperatives and other private providers have been involved in the provision of social housing since 1978. Lately, new operators are also entering the social housing scene; they are private actors, whose role will be discussed in the sections below.

Regions are responsible for defining requirements for accessing social housing, as well as rules for setting rents. Eligibility is based on a set of criteria that is similar throughout all Italian Regions in order to register in waiting lists. These criteria include income of the applicants, address (whether there is an occupational or residential link with the municipality), and nationality. If income is the parameter, the public rental sector will have to sustain increasing expenditures, while income from rents will be reduced. Priority access to social housing is given to people in poor living conditions, to families with several children and to people experiencing enforced cohabitation. Especially in the current crisis, the sector is experiencing a general phenomenon of residualisation.

The central government is responsible for macro-programming and co-financing projects through housing allowances, co-funding of urban renewal programmes and programmes to support social rental housing.<sup>1</sup> The State should give Regions financial resources to accomplish their local competences, which consists in financing the sector. Municipalities and Regions co-finance subsidies for the renters, and they allocate land to providers. More recently, the National Housing Plan (Law 133/2008, Decree of Ministries Council's President 16/07/2009, Decree 08/03/2010) has set the basis for new forms of public-private partnerships through the creation of an integrated system of real estate funds. It consists of a national fund and a network of local revolving funds dedicated primarily to financing social housing. These funds are mainly private and the administrator of the national system is *Cassa Depositi e Prestiti* (CDP, Fund of Depots and Credits), a public development bank, which received financial resources from various economic

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<sup>1</sup>The different areas of interest are established by *Legislative Decree 122/1998*.



**Table 2.1** Types of supported housing in Italy

	Definition	Financial mechanisms	Provider
Subsidised housing ( <i>Edilizia sovvenzionata</i> )	Rental housing owned by the public sector. It is addressed to those with lower income	Subsidies cover between 60 and 100 % of the cost, and the rent is proportional to the income of the tenant. Rents in the public sector are very low, corresponding on average to 1/4 of market rents	Municipalities and public housing agencies
Assisted housing ( <i>Edilizia agevolata</i> )	Housing provided both for rent and for sale and aimed at households on low to middle income	Subsidies for rental-assisted housing are between 20 and 60 % of the cost, and the rent is limited to the minimum price of the market or to 4.5 % of the construction cost. Assisted housing for sale is entitled to between 10 and 30 % subsidies, and the price of the dwelling may not be higher than that of subsidised housing	Mainly cooperatives
Agreed housing ( <i>Edilizia convenzionata</i> )	Private housing provided for rent or for sale, whose transfer costs or rents are regulated by a specific agreement drawn up between the Municipality and the housing provider	Providers benefit by a discount on local tax for building authorisation, and by a lease on the land for 99 years	Private and public providers: the most active ones are building firms and cooperatives

Source Table modified by the author, *primary source* Pittini and Laino (2011, p. 58)

groups and was appointed by the State as manager of this system. Few housing projects have been implemented to date but this approach is a genuine change, particularly for the public sector (Tables 2.2 and 2.3, Fig. 2.1).

## 2.1 Setting the Context: Early Laws and Norms (1900–1940)

In the most populated Italian cities, the issue of housing for lower classes was first addressed by private associations around 1870. This kind of private initiatives took place in cities like Florence, Milan and Turin during 1862–1868, where houses for

**Table 2.2** Growth of housing in Italy during the twentieth century

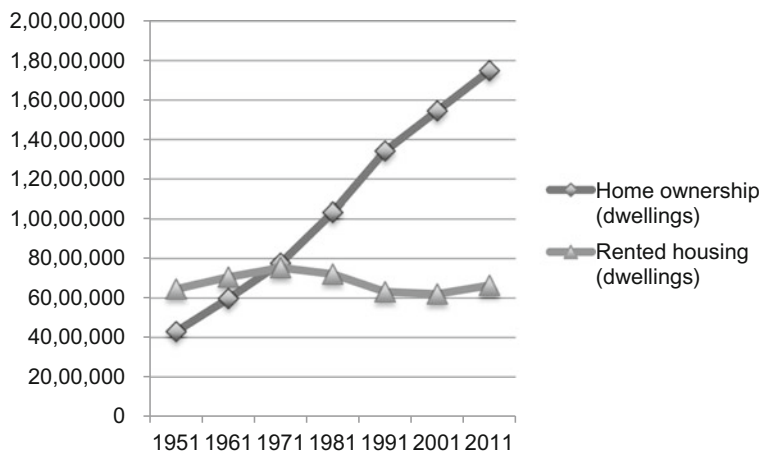
Years	Dwellings/houses	Rooms	Average number of rooms for each dwelling
1931	9,700,770	31,690,631	3.3
1951	11,410,685	37,342,217	3.3
1961	14,213,667	47,527,666	3.3
1971	17,433,972	63,833,741	3.7
1981	21,937,223	88,617,874	4.0
1991	25,028,522	104,152,467	4.2
2001	27,291,993	111,197,834	4.1

Source ISTAT, census of various years, [www.seriistoriche.istat.it](http://www.seriistoriche.istat.it)

**Table 2.3** Occupied dwellings and tenure

Years	Home ownership (dwellings)	Home ownership (% on total dwellings)	Rented houses (dwellings)	Rented houses (% on total dwellings)	Total amount of dwellings
1951	4,300,636	40.0	6,455,485	60.0	10,756,121
1961	5,971,868	45.8	7,059,750	54.2	13,031,618
1971	7,766,566	50.8	7,534,861	49.2	15,301,427
1981	10,333,197	58.9	7,208,555	41.1	17,541,752
1991	13,419,121	68.0	6,316,792	32.0	19,735,913
2001	15,453,656	71.4	6,199,632	28.6	21,653,288
2011	17,491,642	72.5	6,643,535	27.5	24,135,177

Source ISTAT, census of various years, [www.seriistoriche.istat.it](http://www.seriistoriche.istat.it)



**Fig. 2.1** Occupied dwellings and tenure (Source author, primary source of data; ISTAT, national census)

specific beneficiaries, the workers, were built. The goal was to meet few requirements by building economical dwellings.

The first Italian law on social housing was declared in the early twentieth century (Law 251/1903). Proposed by MP Luzzati, it was called the “Luzzati Law.” It creates intermediate entities, financial companies and cooperatives, which build dwellings to be rented or sold to people in housing need. The resources of banks and mutual aid societies can finance these entities. IACP (*Istituto Autonomo per le Case Popolari*, Independent Institution for Tenement Building) was established in 1908 in almost all Italian cities. For many decades these entities have been the main actors on the scene of social housing. The aim of the IACP was to provide housing to lower classes of the population. Luzzati’s idea was to give a house to families who could pay mortgages to financial companies and cooperatives; hence to the working class. The law was not intended for the most vulnerable part of the population. During the discussion of the law in Parliament, municipalities and other public authorities were included as potential founders of these entities. The aim of the law was modest, its intent was to promote investments in social housing by removing financial issues (e.g. by remitting taxes to the new entities for a few years by giving good rates for mortgage to financial actors). Hence, early in this century, housing was considered from the financial point of view in Italy, and dwellings were linked to the working class (Dente 1990; Urbani 1990).

In 1908 and 1919 two codes about social housing were enforced in the Italian Kingdom (R.D. 89/1908, R.D. 2319/1919 “Testo Unico delle leggi per le case popolari e l’industria edilizia”). Municipalities were assigned the duty of building infrastructures for new housing, with specific tax reductions for some categories of deprived workers. Until 1938, various decrees were promoted, which added new measures and created local IACPs (for instance, these entities were transformed from local to provincial, and municipalities too got some new duties). All individual laws were collected in one code (R.D. 1165/1938) that was designed to coordinate the complex norms on social housing. This code constituted the real foundation for the sector, and defined, for the first time, the rules for assigning and managing dwellings. Public authorities (municipalities, provinces and IACPs) were the subjects (not exclusive) that could receive “loans” to build social housing.

During the next year, other laws and rules were enforced, changing some of these principles (Indovina 2000; Minelli 2004).

## 2.2 Post World War II Reconstruction Phase (1945–1967)

After the World War II, the national goal was the country’s reconstruction, and the real estate sector was chosen as a trigger for economic development. The attributes of the sector determined this choice, as a matter of fact, real estate does not require any expensive infrastructures, nor experienced sponsors, nor skilled workers, nor imported materials. The social aim of this policy was to give a response to housing needs. After WWII, the housing need could be calculated as around 10 million

rooms, a figure made up not only by war damages, but also by population migration from the countryside to urban areas. The State took on the role of economic programmer of the housing sector and the planning process lasted several years. In this phase, subsidised housing was strengthened and specific categories of beneficiaries were identified (Minelli 2004), shifting housing policy's purpose from supporting workers (pre-war period) to economic recovery. This was achieved through Law 43 of 1949, which defined a national housing plan (called "Fanfani Plan," as the Minister of Labour who proposed it). The plan's goal was to increase employment by building social housing for workers (subsidised housing). Financial resources were provided by the national State and by a contribution from all workers (entrepreneurs and employees had a deduction on their income). This housing plan was the first one in Italy in terms of size, application throughout the country and the urgency of reconstruction. These were the three main priorities:

- respond to the needs of labour and housing: the plan financed by all citizens had to build dwellings where the housing need was more serious, and had to assign them using valid criteria;
- build suitable housing to meet various needs: the plan did not choose specific projects but architects, who received examples of inexpensive dwellings; the plan was also designed to help tenants manage the newly built housing and to create new communities with the help of social services;
- entrust the implementation of the plan to different entities and authorities, from central government to local offices; hence, everyone had the opportunity to provide input and experience.

The funds of the plan were managed by *Istituto Nazionale delle Assicurazioni* (INA, National Institute for Insurance); therefore, the housing programme was called INA-Casa.

Italian real estate developed between 1951 and 1961, creating +23.3 % of dwellings (+25.7 % of rooms). Population grew more slowly: +6.5 % of families, +6.2 % of inhabitants. So the Crowding Index changed, dropping to 1.27 inhabitants per room in 1951, and to 1.08 in 1961. The size of dwellings also increased from 3.1 to 3.34 rooms (Beretta Anguissola 1963). Even INA-Casa dwellings had 4 rooms, improving the Italian average of 3.5. The plan improved the conditions of lower classes of the population, since only 40 % of social housing tenants were previously living in a dwelling, while 37.8 % lived in cellars, caves and sheds, and 17.1 % lived with other families (Di Biagi 2001). Social housing clearly changed the housing conditions of vulnerable classes, and the new buildings had an impact on the private housing market, thus keeping prices low.<sup>2</sup> After World War II the real estate expansion was localised in urban areas, but the land revenue influenced the localisation of social housing neighbourhoods that were built in the peripheral districts of Italian cities.

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<sup>2</sup>The State also decided to give a contribution (Law 408/1949) to the mortgage interests of the population with different housing needs.

A strong movement from the Southern countryside to Northern industrial cities, linked to the national economy's driving forces, marked these years (Ascoli 1979; Fofi 1976; Ginsborg 1989; Villari 1966). The cities of the so called "industrial triangle" Milan, Genoa and Turin attracted millions of Southern citizens, implying the growth of North-South disparity and high numbers of employees for the developing industrial and real estate sector. 9 millions of Italian citizens moved between different regions during the timespan 1955–1971. This internal movement clearly implied consequences both for cities and housing demand due to the precarious and poor housing conditions of the migrants in Northern Italy and housing abandon in the Southern part.

The power of real estate sector enormously grew. Entrepreneurs, contractors, builders, landowners and real estate companies formed a group of interests that was able to influence national and local politics. In the '70s, several Italian researchers underscored the weight of the real estate sector in the national economy (Indovina 1972). This form of interests and powers was called "real estate block" (*blocco edilizio*), it could be considered as an alteration of national economic development (Indovina 2000). This "block" was considered a strong influence into Italian national politics, from post-WW II reconstruction to the industrial development, imposing its financial interests on the cities.<sup>3</sup> Real estate sector was, and still is, also linked to mafia interests.

The INA-Casa programme lasted for fourteen years.<sup>4</sup> From 1950 to 1962 it employed 40,000 workers each year, built 355,000 dwellings and costed 936 billions Italian Liras (Di Biagi 2001). After this programme, the political perspective of a future left wing government inspired a reflection on housing as closely linked to urban development. New aims were rising, housing plans, improvement of the quality of social housing and definition of free areas for new buildings. Two laws were created in this context.

Law 167/1962, which created a new spatial planning tool for new social housing areas in the cities, a specific local plan integrated into the master plan's framework, defining areas and criteria for new subsidised housing development; this plan was the first planning tool to create a relationship between public authorities, private actors and cooperatives to build new housing. This law introduced the duty to build services for the new social housing neighbourhoods. It defined specific rules about the expropriation of areas for social housing and their economic values, this mechanism constituted an important improvement in those years to support social housing growth.

Law 60/1963: the State promoted a housing programme, thus replacing INA-Casa, called *GESTione Casa Lavoratori* (GESCAL), management of workers' housing. The funding system was the same as for INA-Casa: contribution from the State, employers and employees. The State's contribution was larger than in the

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<sup>3</sup>For instance, the growth of home ownership rate was also considered as stabilising factor in the political and social scenario.

<sup>4</sup>The programme was extended in 1955 with Law 1148.

former plan, since it invested the financial resources gained by selling the previously built subsidised houses. GESCAL was a ten-year plan, whose purposes were not only to build new social housing, but also to construct infrastructures and services. According to the plans introduced by Law 167/1962 the location of new social housing was inserted in those plans with specific criteria according to Regions and Provinces.

A few years later, in 1967, a national law (no. 765, called “Legge ponte”) was promoted to deal with the urban challenges of industrialised cities. During the reconstruction phase and economic development, Italian cities suffered a process of non-regulation. Law 765/1967 was defined as an attempt to control these dynamics and the power of the real estate sector. The law had proposed to use specific permission to build in areas where there was no masterplan, let contractors and builders pay for the infrastructures and services for new houses, define spatial planning standards (minimum square metres for each citizen for schools, general services, parks, parking lots); set density limits and establish different neighbourhood types (historical centre, commercial areas, etc.). The block powers were so strong as to postpone the enforcement of the “*Legge ponte*” and some controlling norms were stopped.

### **2.3 Persistence of the Housing Need and Protesting Movements (1967–1978)**

In the end of 1960s and during the 1970s unresolved issues affected the Italian scenario, bursting in protesting movements, violent tensions and terroristic attacks. Housing need was not solved (social housing neighbourhoods were not sufficient for the housing demand), and in peripheral areas of cities the real estate sector created low quality housing, without services and parks. The internal migration phenomenon, the home ownership emphasis, the small share of rental housing at limited price, and the poor housing conditions of the most vulnerable citizens contributed adding fuel to the social and political protests (Saccomani 2013).

The issues about housing, expropriation and economic programs were at the centre of public debate. Social conflict was linked to the housing issue: despite the strong expansion of the housing rate, (the number of rooms increased by 33.8 % from 1961 to 1971), there were still problems about the housing quality, the peripheral location of vulnerable classes, and the migration process towards cities. In particular, lower classes were expelled from cities’ centres, which were left to the richest population. The most vulnerable people and the population who migrated from the countryside gathered in peripheral districts. Temporary housing, unauthorized building, cohabitation and black market are typical dynamics in this situation. In fact, social conflict tried to connect industrial protests to the housing issue, aiming to occupy the empty dwellings and to adapt rents to salaries. The improvement of working conditions, goal of the protests, was transformed in a

general request of improving living conditions, including housing and spatial planning issues.

Self-organised initiatives bloomed, neighbourhood committees were created in the social housing districts to fight for issues about services and infrastructures. These protesting movements were well organized and they proposed changes in the situation: occupation of free areas, spaces and rooms, auto-reductions of rents, promotion of cultural events and public debates. Relations with the press and with categories of professionals (such as architects, doctors, professors and magistrates) were put in place to improve the quality of life in peripheral areas of the cities. Housing has always been considered also by labour unions as a fundamental right to be provided to every citizen. A new national housing policy was demanded.

New needs were recognised in a perspective of better living in the cities: not only improvements in housing and working conditions were requested, but also services and infrastructures. A new organisation of urban spaces was claimed, focusing on social and functional aspects, the so called “right to the city” (Lefebvre 1970).

The housing reform was introduced in 1971 with Law 865, it organised the public intervention in housing with a clear structure. The housing competences were entrusted from the State to the Regions (public authorities created in 1970). These have the duty to manage the locations and public investments for social housing. The national government plans the financing and the mechanism of fund distribution among the regions, adapting the financial resources to the various regional housing needs. Regarding expropriation, the law introduced the expropriation for public benefit: municipalities could obtain areas or buildings if they were planning of creating public services in those zones. This form of expropriation could be used also for local plans of social housing (L.167/1962).<sup>5</sup> The economic value of this kind of expropriations was really low, since they were assimilated to rural land (agricultural use), therefore these costs were feasible for the municipalities. In this way, municipalities could begin to control the land revenue’s mechanisms. The law clearly states the separation between land property and real estate activity: the municipal master plan is stronger than the landowners’ rights. Also the entities who can build and manage social housing are controlled: IACP is the appointed one to partner with municipalities and regions.<sup>6</sup> This law was considered as a big achievement, for instance, the law allowed municipalities to partner with private actors.

In 1980 the Constitutional Court cancelled these measures about expropriation’s value, since they were considered against the citizens’ equality principle. Therefore,

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<sup>5</sup>Also this law was modified by the housing reform: the local plans for social housing could not identify areas for more than 60 % of municipal housing needs in ten years; and the landlords’ possibility to build social housing in their areas, if interested by these local plans, was cancelled. In this way, the municipalities had the duty of acquiring the areas and then they could assign them to public entities or private developers, who would build social housing following specific criteria.

<sup>6</sup>All the other entities were cancelled and *Comitato Edilizia Residenziale* (CER, Housing Committee) was created as central planning subject.

from that moment onwards municipalities have had hard times trying to find financial resources to expropriate the needed urban areas.

Devolution of central powers to Regions has also been difficult: during all the 70s this generated bureaucratic conflicts and it took a long time to transfer powers from the central State. This change generated a lot of uncertainty in programs' implementation and difficult relations between Regions and State.

The increase of birth rates and number of families (13 millions of families in 1961 to 16 millions in 1971) came to an end and during the 70s a declining trend started. The number of families kept growing but with less members than before (in Italy one single member can be considered a family) and it has continued so until today. The structure of Italian families has changed due to the low birth rate and to norms about divorce. Marriages have become less frequent and people tend to get married at an older age compared to the previous decades. New forms of living together spread, creating a complex scenario.

## **2.4 Efforts to Regulate the Housing Market and Neo-Liberal Phase (1978–1990)**

The interest in housing policies ended at the end of the 1970s in Italy, when two main national acts were promulgated: Law 392/1978 (Rent Act), which introduced a system of controlled rents; and Law 457/1978, which launched the Ten-Year Public Housing Plan. After the strong focus on social housing, the issue left the political and social agenda, and in research the topic became rarer.

The Rent Act was the result of rental market's issue: a form of regulation was needed, there were too many differences and no criteria for homeowners renting their dwellings. The two possible measures proposed in the public debate were: a form of public subsidies to the landlords (choice promoted by owners and real estate companies); a mechanism to calculate the rent as a percentage of the dwelling's value (called "fair rent" and favoured by tenants' unions). During the 70s, rent subsidies showed their ineffectiveness: there were less dwellings in the rental market, so rent prices increased and land revenue was imposing on the State. So law 392/1978 introduced a new form of regulation for the rental sector (not only for housing, but for all uses): the mechanism defined by the law was based on objective criteria related to the dwelling's features and rent prices were raised less than the market ones. The mechanism worked according to objective indicators for all dwellings and houses. The fair rent mechanism fostered the link between dwellings' value and their annual yield, not the revaluation of its economic value. Housing rents were more bound to the law's criteria, while not-housing landlords were free to decide the rent prices, and contracts could be shorter than four years. The outcomes contradicted the law's goal: many owners did not accept the law and dwellings became vacant or were sold or changed to other uses. The rental market changed (van Hees 1991): a lower supply made economic capitals move to other



sectors and owners resorted to illegal forms of renting in order to obtain higher income.

On the other hand, Law 457/1978 created the Ten-Years Public Housing Plan. The law defined the entities who managed the plan and their activities (financial management and resources, norms about mortgages, regulations about old buildings and neighbourhoods' renewal). The plan financed the social housing sector for ten years, in particular financial resources were assigned not only to subsidized housing, but also to assisted and agreed housing. The law also permitted to public authorities to define areas for future housing developments, and financed their acquisition. Regions had to plan their actions through plans and projects. The focus on renewal became stronger in those years: public-private partnerships could be created to act on urban form and on buildings. The existing degraded neighbourhoods were the objects of this policy, which focused only on the built environment, without any attention toward social and economic dimensions. The regeneration issue was in the public debate also during the 80s, when Regions and local authorities started experimenting the integrated approach, merging initiatives on new developments and on existing buildings.

The decade of the 70s can be considered as a phase of regulation and attempts of equality: the central State tried to regulate the housing market, correcting alterations and pursuing redistribution. During the 80s, instead, these efforts were neglected and some of the laws and norms enforced in the previous years were cancelled. Both expropriation and fair rent regulations experienced some degree of repeal. The laws were not completely cancelled, only some of their features were, thus depriving them of corrective meaning. In this decade home ownership was promoted through specific norms and financial resources fostered assisted and agreed housing. At the same time, selling processes, scarce new housing developments and no inside-mobility reduced the availability of subsidized housing. The rental market started shrinking and also the middle class was affected by housing problems. Low classes of the population, demanding social housing, were in social distress. These vulnerable situations often merged with social exclusion dynamics. Urban quality became an acknowledged need, requested by all the population. The main issues were pollution, urban noise and need of public spaces. Families' needs started to differentiate thanks to changes in lifestyle (Boeri et al. 1993).

From the 70s to 1990 the planning effort was disarranged: various laws introduced divisions into duties, plans and competences. Emergency legislation was often used to solve spatial matters. IACP's estate entered a process of residualisation and assisted housing prevailed as form of social housing (Urbani 1990). After these laws, public investment in housing fell sharply and the ratio between investments in social housing and subsidised home ownership increasingly shifted in favour of the latter, with a constant diminution of the rental market in favour of the owner-occupied one.

However, during the 1980s, housing demand started to decline due to the fall in population and the slowdown of internal migration. Low income families demand dropped, while medium and high income households demand rose (in quality and quantity) in order to move in better environmental conditions. This form of housing

consumption caused a process of counter-urbanisation in the outskirts of the large conurbations, especially in the old industrial cities in the North of Italy (Governa and Saccomani 2009).

## 2.5 Socio-Economic Changes and Integrated Urban Programmes (1990–2000)

Families and social structure have changed in the last decades, so the housing demand have become highly fragmented. The number of family members has decreased and been transformed, the population has grown older and the number of families has increased (formed by only one or two people) compared to the past.<sup>7</sup> The family structure has also changed with the new forms of couples, since divorces, unions, separations have created single-parent families or families with different parents. Spatial variability has diminished. Moreover, internal mobility has undergone a reduction, and the process of migration towards the biggest cities is not so strong anymore. Home ownership is strong and has kept increasing (Indovina 2005). Families, as in other Southern European countries (Allen et al. 2004), play a main role in solving housing issues. Family networks substitute the State providing help to find accommodation and/or economic resources. If the national housing policy can be considered weak and never able to cope with the demand, solidarity has played an important role in compensating for the welfare state's weaknesses. Despite these attempts, the whole problem was not solved and the housing market has proved to be the foundation for many social and economic problems, especially considering the imbalance between housing demand and supply (Governa and Saccomani 2009).

Housing deprivation no longer concerns only traditional low-income families but new, numerous and heterogeneous population segments, which were not previously affected by this problem (Tosi 2007). Moreover, the changes in post-Fordist societies and the impact of the globalisation process, mainly related to labour market flexibility and to the widely feared risk of unemployment (Clapham 2006) has given rise to new forms of social fragility and poverty, which has strong consequences for housing needs.

Real estate agencies have developed and are now ruling the sales market. The cooperative sector has been strengthened, while real estate developers keep polarising (Boeri et al. 1993). A real estate boom could be observed from 1997 to 2005, housing prices increased by 51 %, in big cities property sales rose by 65 % and rent prices grew by 85 % (Anci-Cresme 2005). Public-private partnerships and negotiation practices have become more common, and so has the use of different financial resources.

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<sup>7</sup>Birth rate has decreased since the 1960s, while the life span has improved (longevity can be calculated as around 80 years nowadays).

In terms of subsidised housing, supply conditions have remained the same in the past twenty years. The number and features of dwellings are inadequate and rigid, quite unsuitable for the various housing needs. This supply meets the needs of a limited part of the population in need of housing. The most vulnerable people are, therefore, gathered in specific neighbourhoods and parts of the cities. New developments of subsidised housing have been cut, few buildings are being built and they are not actually improving the existing stock numbers..<sup>8</sup> CRESME, a national research centre, assessed that almost 34,000 new dwellings of subsidised housing were built in Italy in 1984, while in 2004 they were only 1900 (AeT–Ambiente e Territorio e CRESME 2007). The fall of this sector is clear.

Despite the strong process of internal migration in the past decades, in recent years the migration from abroad has increased. The longer life span has made the Italian population one of the longest-living ones in the world<sup>9</sup> and migrants have changed the demographic data, with a higher birth rate and younger population. The migration phenomenon from abroad has been growing since the 1980s. According to the national census data, the migrant population was around 350,000 inhabitants in 1991 in Italy, and in 2001 migrants reached 1.3 million, with a strong difference among regions<sup>10</sup> (ISTAT 2001). The majority of migrants live in North and Central Italy, while their presence is low (8 % of the total amount in 2001) and linked to the agricultural sector in the South. The working conditions of foreigners vary according to each inhabited region. For instance, in the Northern and Central part of Italy, in 2001 the majority was employed in the industrial sector. Other economic sectors with high percentages of foreign working population were commercial activities, home care and agricultural activities.<sup>11</sup> The average age of migrants in 2001 was 30.9, while the same data for Italians was higher (41.6) (ibid.). Since the 1990s, family reunions have become more frequent than in the previous ten years, and the migrant population living in Italy has changed. Their housing need has changed from single workers to large families. Forms of discrimination were taking place also in this sector (higher prices to rent a dwelling, distrust and property speculation, renting or selling below-standard dwellings).

In the 1990s, public investment in housing fell further and the limited public resources that had been allocated to this sector went to the so-called “integrated urban programmes”, which in Italy fuelled urban renewal and regeneration policy

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<sup>8</sup>After Law 865/1971, which supported the rural values of the areas, in 1992 expropriations rose to half the real estate market’s values, and nowadays are calculated at market values. Obviously, expropriation could not hold the prices down by limiting land revenue. New social housing developments are, therefore, hard to promote, considering the high prices of the areas. For this reason, the new master plans of cities promote a mechanism of adjustments, including the choice of moving building rights from one area to another. It is called mechanism of *perequazione urbanistica* (“urban equalisation”).

<sup>9</sup>In 1993 the death rate exceeded the birth rate for the first time in the State’s history.

<sup>10</sup>According to national census data of 2011, migrants grew to 4 millions in 2011.

<sup>11</sup>Their working conditions are similar to those of Italian internal migrants in the 1950s and the 1960s, and those economic sectors have lower shares of unemployment.

(Governa and Saccomani 2004). In the 1980s, a reflection emerged on new forms of public action, not only as quantitative response to housing needs, but also considering social challenges. Three main triggers altered the housing situation, namely transformations in the labour market, changes in social and family relationships, and cuts in welfare and social services. After more than 50 years from the construction of the first buildings of social housing, it was clear that this real estate sector needed renewal and restructuring. The social housing neighbourhood became the symbol of decay and marginalisation. In social housing neighbourhoods, the grouping of various forms of social distress constitutes a multi-faceted issue. As a result of the European Union's initiatives (i.e. Urban), these neighbourhoods have become part of renewal and regeneration policies. The aim of the regeneration process was to tackle all dimensions of deprivation and distress. Economic and social revitalisation entered the framework along with physical interventions. The key aspect of the integrated approach is multi-dimensional actions designed to achieve social inclusion, focusing on principles like integration, involvement of different actors, and capacity to make agreements among various entities.

The European Union fosters competition among States to get funding, so the Italian public authorities needed to be faster and more efficient than in the past. Cooperation among municipalities, provinces, regions and ministries is compulsory to deal with the complex urban issue (i.e. principle of subsidiarity). Two main types of integrated urban programmes were created:

- urban renewal and regeneration programmes: initiatives dealing with an urban area or a neighbourhood focused on restructuring real estate and public services, and considering social support and green technologies;
- programmes studied to achieve local development. The focus is to improve economic sectors, fostering employment and industrial development. These programmes are specific for Southern Italy.

Urban renewal and regeneration programmes were introduced by Law 179/1992. The law promoted real estate renewal and urban regeneration.<sup>12</sup> The financial resources for traditional housing policies were all relocated to integrated urban programmes, ranging from subsidised housing to urban renewal and regeneration. Tosi (2007) defined this change as “elusive exchange” (*scambio elusivo*). It could have been considered a positive transformation as a result of the remarkable success of those programmes but, actually, the housing issue and its needs were forgotten and abandoned. In Italy, the social housing policy was forgotten and became residual, but the workers' financial contribution was paid until 1998.<sup>13</sup> In the 1990s, the integrated urban programmes were financed by this contribution, which was originally meant to support public housing.

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<sup>12</sup>New financial resources were given to the regions in order to support the three types of social housing. Three two-year periods were identified to plan the policies (until 1998).

<sup>13</sup>This contribution was created to support national housing plans, like INA-Casa and GESCAL, which ended in 1973. Then funding was used by the State for different housing policies (see Sect. 2.2).

Traditional housing policies were also transformed into subsidies for families. Italian governments chose to allocate resources for housing through direct or indirect money transfers to support family access to homes. This trend has been evident in all European countries in recent years. A specific fund to sustain rents in the free market was created, called “Fondo Sociale per l’Affitto”, social fund for the rental market (in 1998 Law 431 abolished the Rent Act). Forms of subsidies fostering home ownership were also promoted, supporting the supply and not the housing demand. Assisted and agreed housing also decreased from 56,000 new dwellings in 1984 to 11,000 in 2004 (Anci-Cresme 2005). The financial cut and scarce attention to housing policies caused a 95 % drop in subsidised housing and the gradual reduction of assisted and agreed housing.

In 1998 the transfer of competences from the State to the Regions was completed (Legislative Decree 112/1998), according to the subsidiarity principle. A sort of duplicity of competences was established. The State kept residual competences (such as the definition of criteria, the National Observatory on housing condition, national financial resources, etc.), while the Regions could decide on:

- regulation of subsidised housing allocation;
- regulation of subsidised housing rents;
- criteria of rent subsidies’ supply;
- planning of national and regional financial resources for housing;
- definition of statutes and control mechanisms of public entities related to social housing;
- regional norms about housing.

The outcome is a national scenario composed by different regional situations. Each region has its own housing policy, with various levels of updates, and the housing entities (IACPs) were transformed by each region, modifying duties and changing name (it often changed to “territorial agency for housing”). They generally achieved more independence and executive capacities. At the same time, the transfer of competences did not erase the power of municipalities in this sector, which still have the duty and capacity to work on housing issues. Nevertheless, there has been no continuity in financing housing, but only fragmentary interventions.

## **2.6 Recent Years and the Financial Crisis (2000–Today)**

The new millennium began with such a difficult situation in the housing scenario. The rental sector constitutes a limited share of the market, with high prices compared to the level of salaries and pensions. The continuing rise in land revenue is causing an increase in prices for home ownership and rents (the rise of land and real estate value started in 1997, and kept a steady pace until 2007). The disproportion between the demanded financial capacity and the percentage of owners creates

rigidity in the market. These factors, along with precarious forms of labour, cause housing exclusion to the population who would access the housing market for the first time. The small percentage of social rent (5.5 % according to Housing Europe data 2015) shows its residual role and its ineffectiveness in answering social needs. The lack of financial resources poses the main challenge of finding a way to finance housing policies in order to improve the sector.

The main features of the Italian housing issue can be summarised as specified below:

- increasing prices of dwellings (to buy and to rent) and housing trade until the financial crisis 2007–2008, when the real estate market entered a phase of crisis;
- the real estate market was growing until the financial crisis, which caused a rise in interest rates on mortgages and the debt load of the families started to worsen;
- complex housing demand due to changes in the social structure;
- territorial imbalance between Northern and Southern Italy: demographic data are showing a scenario in which the central and northern parts of the country attract migrants from abroad and young people from the south<sup>14</sup>;
- unsuitability of the rental supply (small market share and high incidence on family income<sup>15</sup>), and subsidised and agreed housing (conditions and numbers);
- no national policy promoting social housing through public and not-for-profit partnerships for vulnerable population categories;
- need to change the approach: the housing need has been transformed into housing right and “right to the city”.

The social structure has changed, and housing deprivation is becoming an issue for an extensive part of the population. Housing distress can be recognised in two main population categories. The first one includes the most vulnerable classes, those with a strong housing deprivation who cannot afford to live in a safe and decent place. They need emergency housing and rapid responses. On the other hand, there are people who are not in a deprived condition, as they have a salary or a pension, but are at risk of housing hardship, and the house can be considered a limitation. An eviction, family separation or unemployment could cause housing hardship and, meanwhile, this precarious condition could be a constraint for future plans (independent life, moving, creating a family, etc.). These forms of minor hardship are not easy to calculate and the quantitative aspect of the phenomenon is hard to assess. The population affected by this issue is considered a “grey” area of

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<sup>14</sup>From 2001 to 2013, 1.6 million Italian citizens moved from Southern Italy to the Northern and Central areas. 70 % of them were young people (Censis and Nomisma 2015). According to estimated data, between 2014 and 2030 Central and Northern parts of the country will grow by 7 % in terms of population, while the South will record –3 % (ibid.).

<sup>15</sup>In 2006, the incidence of rents on incomes was stronger for some population categories. For people under 35 and over 65, it was around 19–20 %. The geographical dimension also affects this rate. In 2006, rents had a 20 % impact on the income of the Italian population living in the central part of the country, while said impact was only 16.6 % in Southern Italy (ISTAT 2007).

the housing need. They are able to pay an economic rent, but cannot afford to secure their housing condition. This category includes precarious workers, single parents, young people and elderly people.

New actors have become visible in the housing sector in this time frame. The tertiary sector and ethical investors are often involved in providing housing services and taking care of vulnerable sectors of the population. It is part of a general trend of planning negotiation, which targets actors and aims at providing social services (Bricocoli and Coppola 2011). Bank foundations are often replacing public actors in sustaining welfare policies. They finance social policies when there is no (or scarce) public resource. The ethical goals of these actors influence sectors, such as healthcare, social services, housing, environment, etc. In the last years, especially in Northern Italy, bank foundations have played a considerable role in integrating local housing initiatives, and have often been financing pilot projects and housing experiments. The presence and activism of these actors is another sign of difference that marks the gap between Northern and Southern Italy.

Focusing on the institutional framework, national Italian governments enforced various contrasting policies. Every government has promoted different mechanisms to address housing need, focusing on specific categories of people and implementing specific tools. This turnover has created a variable picture of Italian housing policies.

Law 21 in 2001 promoted new norms to deal with housing needs and to increase the number of rented dwellings. The State introduced a specific regulation on subsidies for renters, programmes for the recovery of old buildings meant to be rented, and programmes to create new infrastructures in neighbourhoods in distress. The Law re-organised the financial resources left from the previous years.

In 2003 and 2004, the Italian government (led by the Prime Minister, Mr. Berlusconi) defined some measures to address specific targets, for instance supporting young couples and families to achieve home ownership. Later on, in 2007 (with Prime Minister, Mr. Prodi), the new government coalition reversed this policy and promoted new policies to extend the supply of rental housing, especially social rental housing.<sup>16</sup> Law 9 in 2007 introduced the need for a new definition of public housing. The European Commission defined services of general interest in 2006; therefore, each member was requested to present a specific definition and, in the case of Italy, the national legislative framework needed it too. A new definition could deal with a broader concept of social housing, which was appropriate in the situation of different housing need, absence of public financial resources and development of rental housing. The goal of Law 9/2007 is the development of a new housing policy for vulnerable population categories. A negotiating table was created involving ministries, regions, municipalities, *FederCasa* (IACP's

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<sup>16</sup>Housing was also considered in national financial norms (Law 244/2007) for improving the rental sector, and a new type of housing was defined to be rented at an affordable price for at least 25 years in urban areas that present a high degree of housing distress. This form of housing can be considered a service of general interest. It anticipated the definition requested by Law 9/2007.

organization), real estate associations and cooperatives. The goal was the design of a national housing plan to develop the new aims and orientations of regions, such as improvement of housing supply, fiscal proposals, measures for better cooperation to deal with housing deprivation, and calculation of financial resources. This negotiation was supposed to be used as a continuous meeting to discuss the national housing conditions. The law also introduced some norms on the suspension of eviction, the allocation of evicted population, tax reductions for owners renting dwellings at fixed prices and new three-year regional plans for subsidised housing.

In 2007, the government promoted another Law (222/2007), which focused on the distribution of financial resources for public housing. €550 million were assigned to subsidised housing to recover empty dwellings, buy and rent new ones, and build new housing. A national observatory of the housing condition was created, and so was the study of new forms of financial tools for real estate asset (the goal was to promote buying or recovery of public properties).<sup>17</sup>

Then, in 2008 the Ministry for Infrastructures' Decree 3904 established a new definition of social housing. Public housing changed its name, which from "residential public building" (*Edilizia Residenziale Pubblica*, ERP) became "social residential building" (*Edilizia Residenziale Sociale*, ERS). The new term includes several meanings, namely traditional subsidised housing, and also supported rental housing, including local experiments and partnerships with private actors. The possibility to build services in the same housing complex was also integrated in the definition. The "new" social housing could be placed not only in specific areas, expropriated by municipalities (Law 167/1962), but also in public or private areas where mechanisms of adjustments with the private sector are taking place. It could be built together with different activities, according to the principle of *mixité*. The goal of ERS is to create rental dwellings with different rent prices designed to meet various housing needs. The involvement of private actors is supported through the supply of land or building rights, and the opportunity to sell part of the dwellings as private housing.

In May 2008 the political coalition ruling the country changed again and Mr. Berlusconi became Prime Minister once more, reversing the housing measures and promoting home ownership. These variations are linked to political views, but the whole approach represents the traditional Italian attempt to support the real estate and building sector (Governa and Saccomani 2009) as driver and trigger of the national economy.

The new government promulgated a new national housing plan (Law Decree 112/2008 and Law 133/2008) to meet the requirements of the housing demand throughout the country. Integrated housing and urban regeneration programmes were supported, focusing on liveability, sustainability and safety criteria, and paying attention to transport issues and public-private partnerships. The intent was to improve the housing supply (new or renovated buildings), and to support

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<sup>17</sup>A second phase of integrated urban programmes was also promoted (*Contratti di Quartiere II*).



population categories in distress. Hence, the national plan is not focusing specifically on subsidised housing, but it establishes five main types of interventions:

- establishment of real estate funding opportunities in order to promote new housing and involvement of public and private actors;
- improvement of housing stock, also through the sale of subsidised dwellings to their inhabitants;
- promotion of public-private partnerships in the building process of housing and in its services;
- administrative and tax benefits for housing cooperatives committed to new developments;
- set up of integrated programmes promoting housing and ERS.

The beneficiaries of these actions are low-income families, young couples with low income, elderly people with economic or social difficulties, students living away from their family, vulnerable population categories moving to independent living conditions, legal low-income migrants who have been living in Italy for at least ten years or in a specific region for at least five years. Given these priorities, it is clear that this policy's priority is not to provide an answer to the housing need but to support the real estate and building sector. The economic and financial crisis, along with the GDP decline, restored the traditional political approach towards the building sector, which was seen as an economic driver.

Subsequently, the Housing Plan was also integrated with another initiative proposed by Mr. Berlusconi, namely the simplification of real estate bureaucracy for the private sector, which enabled to expand/enlarge private houses and dwellings.<sup>18</sup> The measure was enforced throughout Italy without any attention for place-specific planning norms in the different local contexts.

€200 million were assigned to regions for subsidised housing, and 150 million were, instead, given to the integrated system of real estate funds (which in Europe is also called Real Estate Investment Trust, REIT) to create new ERS,<sup>19</sup> and then 377.9 million were allocated to other actions of the plan.

CDP (Fund of Depots and Credits) manages the financial resources provided for the implementation of the integration system of real estate funds (*sistema integrato di fondi*, SIF) that was established to build housing and ERS. In these funds, gains cannot be drawn until the end of funds lifespan, which usually occurs in the long-term. CDP has created a national real estate fund called "Fondo investimenti per l'abitare" (FIA), and, besides public resources, various private financial groups are investing in this fund (banks, insurance companies, private welfare services) (del Demanio Agenzia 2011). FIA originates local real estate funds, while there is a

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<sup>18</sup>Housing Plan implementation was delayed due to the disagreement between the government and the regions. The issues at stake were the lack of financial resources promised by the previous government for subsidised housing, and Berlusconi government's attempt to reduce their competences regarding housing. After the Plan was enforced, all the Regions established their regional norms implementing the measures about private housing extension during 2009–2010.

<sup>19</sup>The expectation was that this system would attract an investment of 3 billion euros.

parallel system for the management of funds and building projects. ERS built with real estate funds was called “social housing,” and became a slogan to promote a form of housing that differed from the past. The private financial groups invested in these tools since they can be considered “safe” investments. Housing and services built with this method guarantee a profit, even if in the long-term. All real estate fund dwellings are either sold or rented not to low-income families but to a category of people who can afford to pay a rent or buy a house at an agreed price. This system constitutes a big challenge for the public sector, since private actors and the financial sector are part of the housing policy. Though they pursue private gain, new developments can be managed through a public-private partnership, trying to build good quality housing and services for the entire neighbourhood. The goal of this building operation is to increase the medium-long term housing supply through sustainable fiscal initiatives, and with a social approach (promoting relations between inhabitants, social cohesion and strengthening the vulnerable population). Nevertheless, the outcome of this system will be private housing partly funded by public resources.

The implementation of the real estate funds system is experiencing a complex situation. The FIA collected €2 billion and 28 million (1 billion from CDP, 140 million from the Ministry of Infrastructure and Transport, and 888 million from banks and other private insurance companies). These resources have been invested in the integrated system; each local real estate fund got a financial commitment from FIA to support housing developments. According to the rules, FIA could invest its resources in local real estate funds until late 2015. In November 2015 €1.71 billion were allocated to replenish 29 local real estate funds, which are managed by 9 companies that relate to 227 housing developments.<sup>20</sup> Despite these numbers, only 83 housing projects were completed by late 2015 (3482 dwellings and 78 % of the total amount are meant to be rent), and only €473 million were spent (46 % of the total amount). The majority of these projects are localised in the Northern and Central part of Italy (66 and 20 %, respectively), once again highlighting the different paces of the country. FIA’s ambitious goal is to complete the development of 20,000 dwellings and 8000 lodgings for students and other users of temporary housing (Table 2.4).

Before presenting the housing policies enforced from 2010, it is important to summarise the main impact of the global financial crisis in Italy. It has worsened the national scenario. As summarised by Housing Europe (Pittini et al. 2015), the crisis has caused a collapse in the housing market and had a huge impact on the income of a large percentage of the population, while banks have reduced the opportunities of mortgages. The number of housing sale transactions has decreased (−30 %) and rents and sale prices have dropped (−15 %), (ibid.). The real estate sector, private companies and cooperatives have been severely hit by the crisis (Baldini and Poggio 2014). The effects of the crisis can also be noticed in the number of evictions, which decreased between 2005 and 2006 (−13.2 %) and recorded a

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<sup>20</sup>CDP presented the updated situation in November 2015 at the conference “UrbanPromo Social Housing Milano”. The data presented here are the ones declared during that meeting.

**Table 2.4** Situation of home ownership and tenure in 2014 in Italy

	Rented housing (% on the total amount of dwelling)	Home ownership (% on the total amount of dwellings)
Italy	18.5	81.5
North-West	21	79
North-East	17.2	82.8
South	20.4	79.6
Islands	12	88
Metropolitan areas	28	72
Central parts of metropolitan areas	21.5	78.5
Suburbs of the metropolitan areas	9.1	90.9
Big municipalities	12.7	87.3
Small municipalities	16.9	83.1
Municipalities with less than 2000 inhabitants	21.2	78.8

Source ISTAT, census of various years, [www.istat.it](http://www.istat.it)

strong rise (+62 %) from 2006 to 2014. There were around 77,300 evictions in 2014 (Ufficio Centrale di Statistica del Ministero dell'Interno 2014). In 2005 there was an average of one case of eviction every 515 families, while in 2014 it was one every 334 families (ibid.).<sup>21</sup>

In Italy, families and the retirement bonus constitute the main social safety valves. Family resources are coping with the problems of younger generations, while the public subsidies are helpful for elderly workers. The young population, compared to the older one, is lacking in various sectors (housing, labour, salaries, lifestyle), and this condition is much more widespread than in the past years. Italy is one of the EU countries with the highest percentage of young people living at home with their parents, almost 66 % of the population between 18 and 34 years (Pittini et al. 2015).

According to Federcasa data (2015), almost 2 million people live in subsidised houses (the majority of them in Northern Italy, 44 %), but 650,000 families, which fulfil the criteria to access them, are waiting for a dwelling. Families with less than €10,000 income/year are 34 % of the total amount of families living in subsidised housing, and this data are growing due to the general process of impoverishment of the population (ibid.).

According to a study on the Italian real estate market (Censis and Nomisma 2015), many Italian families are moving to the rental market due to difficulties

<sup>21</sup>The majority of evictions has been in the most populated urban areas: Turin, Milan, Venice, Verona, Genoa, Bologna, Florence, Rome, Naples, Bari, Catania, and Palermo. There is no geographical distinction in the phenomenon of evictions between North and South Italy. In 2014 the numbers of evictions were higher respectively in the provinces of Bari, Turin, Rome, Genoa, Florence, Naples, Palermo, Verona, and Bologna (Ufficio Centrale di Statistica del Ministero dell'Interno 2014).

accessing home ownership, and rent prices have dropped to less than the sales (−12.6 and −16.3 %, respectively) from 2009 to 2014. If the rent prices rose by 27 % from 1994 to 2007, considering the timeframe of 1994–2014, the picture presents a −6 % variation. In 2015, 60 % of families are looking for housing in the rental market (ibid.). Another sign of national housing distress is the incidence of housing costs on the income of families. 2.3 million families suffer the impact of rental housing costs that are 30 % higher than their income,<sup>22</sup> 4.4 million families in the rental market have an income of less than €23,000 per year (ibid.).

Meanwhile, the national territorial imbalance has also affected the housing need, since both internal and external migrations are increasing the population of Northern and Central Italy. These demographic movements will need a response in terms of housing and quality of life in the next years.

Despite the strong demand for affordable housing, especially in the biggest cities and their surroundings, there are huge regional and local differences resulting from the different pace of economic development, the path-dependent dynamics of past decades and the various regional legislations and housing policies.

Since the crisis started to show its effects, national governments have focused on following the previous policies, namely on simplifying and supporting households that experience difficulties paying their mortgage and rent arrears.

- Law 106 in 2011 (Prime Minister, Mr. Monti) promoted the simplification of real estate bureaucracy for the building sector and national norms with the goal of requalifying deprived urban areas (supported by incentives and simplification procedures).<sup>23</sup>
- During the next year, in 2012 (Prime Minister, Mr. Letta), the government proposed a tool called “National plan for the cities” (*Piano nazionale per le città*), according to which Italian cities could apply by presenting specific neighbourhoods to be renewed and improved through various actions (Law Decree 83/2012). The agreement (*Contratto di valorizzazione urbana*) between each city and other interested actors has to be signed to ensure the implementation of the urban development project. €318 million were allocated on this plan to partly fund interventions in the cities.
- Law 124 in 2013 (Prime Minister, Mr. Letta) supported people experiencing housing distress with €200 million through a national subsidy to sustain people in the rental market (*Fondo nazionale per il sostegno all’accesso alle abitazioni in locazione*), measures favouring first-time buyers, and fostered housing renewal and energy improvements in buildings and dwellings. The government also supported new mortgages through public subsidies, using CDP as public guarantor.

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<sup>22</sup>30 % is considered as the threshold of economic sustainability.

<sup>23</sup>For other information regarding the first years after the crisis and the national government’s response, see the paper by Baldini and Poggio (2014).

Then, the last housing policy approved by the current government (Prime Minister, Mr. Renzi), is a new Housing Plan (Law Decree 47/2014, Law 80/2014) with a budget of 1 billion 740 million euro. This Plan has three main goals, precisely to support rental housing (at a limited price), improve the supply of subsidised housing, and develop ERS. The Plan allocated €468 million to renew subsidised dwellings owned by the former IACP and municipalities (12.000 estimated dwellings). The Plan established the right to buy ERS; hence, tenants can buy the dwelling where they live after 7 years of tenancy. The revenue from these sales can be used for new constructions or renewal of social housing. Several incentives have been promoted to encourage landlords to provide moderate rents (through tax reduction schemes), and to support tenants through subsidies, guarantee funds, and funds for arrear issues.

Considering the national scenario, the housing situation is complex and not easily solved. Different laws and plans have started targeting the institutional and legislative framework in order to reform the sector and promote rental housing, but public-private partnerships (especially triggered by the system of real estate funds), cannot be considered as the solution for the pressing and urgent housing need. Subsidised housing, in its traditional form (INA-Casa and Gescal programmes), could still be considered as an important public response for housing distress in this time of crisis. A structured response designed strategically for the long-term housing system would be the most important achievement for the country, surpassing the fragmented and short-term initiatives of the past decades.

Despite this rationale based on the idea of solving the housing demand, neo-liberal turn and welfare cuts are pushing to enhance the importance of private actors and self-made solutions. This tendency, which is common to all Europe, implies a certain degree of spatial imbalance, since not all territories can afford wise self-initiatives, ethical private investors and local authorities that promote empowerment of their communities. Instead, the public actor—the State—should be restored as the appointed subject in charge of mediating and supporting distressed populations and territories.

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## Chapter 3

# The City of Turin: Case Study of Innovative Housing Policies in the Last Decade

**Abstract** The case study will be presented summarising the city development: Turin has a past of one-company-town linked to the automotive sector and FIAT industry, then in the post-Fordist phase it became an experimental field for several spatial planning strategies (strategic plans, urban regeneration processes, urban development projects changing its urban structure). Housing policies in Turin were developed in the last decade without any form of advertising, there was a temporal agreement in favour of housing as priority among public authorities (Region and City Council), local bank foundations (ethical investors), and tertiary sector. The practices are presented and analysed according to public and private actors promoting them and the different forms they have (plans, projects, etc.). The concept of social innovation is used to analyse the practices showing strengths and weaknesses of the various projects.

**Keywords** Housing policies · Social housing · Housing practices · Social innovation · Housing projects · Italy · Turin · Stakeholder · Local milieu · Mobilisation of local resources · Urban regeneration · Empowerment

Turin, the regional capital of Piedmont, counts about 900,000 inhabitants and is located in the North-West of Italy. It has always been an industrial city, the hometown of the car factory FIAT. Nevertheless, the city has been looking for a new identity since the 1990s, and new cultural and economic sectors have been promoted to surpass the Fordist image.

After World War II, the city of Turin experienced a process of incoming immigrants from the South of Italy with a subsequent population increase in the range of 50,000 citizens each year (Gabert 1964). Doubling its population in two decades, the city was on the verge of reaching one million inhabitants. Meanwhile, the industrial development led to the image of “FIAT’s CITY” (Bagnasco 1986), and Turin was considered as a “one-company-town” that resembled the manufacturing examples of urban areas in Central and Northern Europe, rather than other Italian cities (Governa and Saccomani 2009). The social structure was affected by both economic development and mass migration, and a socio-spatial divide was

created between the industrial bourgeoisie and the working class (Bagnasco 1986). The working class was based along an axis from North-East to South-West, while the upper classes were mainly on the hills on the Eastern side of the city (Corrado and Giaimo 2007). The heyday of the industrial model triggered by FIAT had been acknowledged in the 1950s and 1960s, and mirrored the city's growth. From the 1970s this economic model started to fall for several reasons (for instance, the energy crisis in 1973, and large factories and rigid organisation of work hindered the Fordist model itself). The main role played by the automotive industry became a weakness for the city as a whole and the process of economic restructuring marked the transition from a "Fordist city" to a "post-Fordist territory". The economic crisis affected the whole urban/metropolitan area and left the local actors (public and private) to look for new forms of development and a new identity that could replace the traditional industrial specialisation. Spatial organisation was also affected; the population of the city declined and families started to move to the neighbouring municipalities, increasing the population of small and medium towns around Turin (Chicco et al. 1995). A suburbanisation process can be identified in those years. Municipalities near Turin attracted people who were seeking better living conditions and a less polluted environment. Manufacturing jobs diminished and the differentiation of skills and qualifications became important to be competitive on the job market. In the 1980s the employment rate grew in small and medium enterprises, indicating the trend towards independence from the leading company and the rise in importance of technological expertise (Antonelli 1986). In the 1980s industrial decline showed its physical signs in the growth of vacant industrial areas and brownfields.

Population movements from Turin to the rest of the metropolitan area continued in the 1990s, with issues such as low density settlements, high soil consumption, and massive use of private cars as principal means of transport. The dominant role of Turin diminished and the spreading activities, population and services strengthened relations among poles and nodes of the metropolitan area (Buran et al. 2006). New social issues arose, such as unemployment, ageing population and a growing demand for services. The inhabitants of Turin decreased from almost 1 million in 1971 to 865,263 inhabitants in 2001 (census data, ISTAT). Then the number stabilised and rose again by 8000 inhabitants in the course of 2007. Several waves of immigration brought thousands of foreign inhabitants to Turin, especially from North Africa and Eastern Europe (Città di Torino 2012). Overall, the metropolitan area reached a population of almost one and half million in the 2010s.<sup>1</sup>

During the past 25 years, changes in social, economic and physical domains marked a huge transformation for the city of Turin. From 1993 a change in the national electoral law allowed the direct election of the Mayor and Turin is a good example of the "turn" of Italian politics at a local level. Various forms of urban development were implemented following the Masterplan (Città di Torino 1995). The urban structure

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<sup>1</sup>For a complete study on the rises and falls of Turin metropolitan area, its economic development, institutional processes and socio-demographic trends see Caruso and Saccomani (2016).



was transformed by substituting industrial areas (especially those located along the railway system, which is now mainly underground) with public and private housing and public buildings. This axis is called the backbone, *spina*.<sup>2</sup> The local government's priorities, defined since the mid-90 s, have enabled Turin to implement many innovations in terms of urban policies, above all in the field of urban regeneration (Regione Piemonte 2004) and strategic planning. *Progetto Speciale Periferie* (PSP, Special Project for the Peripheries) was an integrated programme of urban regeneration initiatives organised in various neighbourhoods by applying the area-based integrated approach. A Pilot Project of Urban EU initiative (called "The Gate") and an Urban 2 initiative took place in Turin, (in the area of Porta Palazzo and Mirafiori, respectively). Furthermore, Turin was the first city in Italy to promote a voluntary strategic plan, which involved the city's actors. The city experimented with this tool twice in the 2000s. A third strategic plan was developed in 2015.

In 2006, the city hosted the Winter Olympic Games. And since then it has made every effort to attract and organise a large variety of cultural events (Rossi and Vanolo 2013). The old industrial spaces have been transformed and a new season of real estate expansion has taken place. Numerous cultural and sports buildings were built to host the Games and other events. The Olympic buildings have generated issues about the re-utilisation of cultural and sports buildings and the sale of several new residential constructions in the free market. Nevertheless, it is also important to highlight the presence of subsidised and assisted housing in Olympic housing projects.<sup>3</sup> Meanwhile, focusing on the infrastructural field, the first metro line was built, the second one is currently being designed and various car sharing and bike sharing have been launched.

The scenario of projects, initiatives, strategies and urban development show a city with multiple paces and interests; precisely, the political élite demand and promote competitiveness (economic transition, Olympic Games, international events); hence, innovative approaches and tools (urban regeneration, strategic planning, place-based approach) are applied to overcome social polarisation and reinforce social cohesion. For instance, different public authorities at the city level (i.e. planning, social services, police forces) have cooperated to target neighbourhoods presenting complex problems with an integrated approach (Saccomani 2004). If this was a time to experiment with urban policies and develop the capacity of "discussing and deciding" to govern the change (Bagnasco 2008), the physical developments promoted by the Masterplan were implemented without particular concern for the social dimension. In the wake of other European cities, Turin exploited its urban development to reinforce the real estate sector and the so-called neo-liberal policies (Moulaert et al. 2003, 2009), paying scarce attention to architectural quality and the integrated approach.

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<sup>2</sup>The current Masterplan, approved in 1995, supported the revitalisation of the real estate sector. Building production has been accelerated following the idea of transforming the areas close to the railways and dismissed industries. The sector has fallen from 2008.

<sup>3</sup>For instance, 342 units of one of the Media Villages built for the Olympic Games were transformed into social housing. In the Athletes Village, 204 units were converted into social housing.

### 3.1 Housing Conditions in Turin: Demand, Supply and Policies

The processes recalled in the previous section did not take housing policies into account. Some subsidised neighbourhoods were inserted in the regeneration programmes but, as observed in the rest of Italy by Tosi (2007) with the concept of “elusive exchange”, there have been no urban policies specifically focused on the housing issue. Nevertheless, in Turin the private housing market has experienced a powerful growth as a result of the implementation of the Masterplan, and until 2008 the market did not seem affected by this “boom” (Governa and Saccomani 2009). The financial crisis and its impact caused a rapid change with unsold buildings, difficulties with loan repayments, and differentiated housing demand by vulnerable social groups in housing hardship (*ibid.*). The impact of the crisis on the labour market (unemployment, redundancy, etc.) affected citizens’ capacity to pay for housing.

Focusing on the demand side of housing, in 2014 the inhabitants of the city were around 900,000, of whom 15 % foreigners (decreasing trend) (Città di Torino 2015). In the last decade, the migrants mainly came from North Africa and Eastern European countries (Città di Torino 2012). The foreign population is mainly from Romania (40 %, data of 2014), Morocco (14 %), Peru (6.5 %), China (5 %), and Albania (4 %). The homeownership rate of Turin-based families in 2013 presents a 5 % drop, compared to the previous year; in 2013 56 % of families owned a dwelling (Città di Torino 2015). The rental market is, instead, growing with a 13 % increase in rental contracts in 2013, compared to 2012. The impact of the crisis can be recognised in the eviction data; 4700 families lost their home in 2014, marking a 17 % increase compared to the previous year, but the rate critically doubled from 2004 (Caruso 2015). The almost totality of these evictions were due to arrears. In 2012 the city opened the call for public housing requests from families, and collected 8500 applications. In 2014 the total amount of requests reached 13,260. Said data revealed a serious housing need that cannot be coped with by the 500 public dwellings allocated each year. Some data were collected from requests for public housing (*ibid.*):

- the trend of applications shows that the percentage of applications from non-EU citizens is growing, from 17 % in 1995 to 36 % in 2012;
- according to the regional criteria of housing distress, 37 % of families applying for housing is in urgent need;
- families that obtain a dwelling (after waiting a long time for the application to be processed) are almost 11 % of the total applications, less than 1000 cases;
- specific requests can also be made by social services (i.e. cases of evictions), which have almost doubled from 2001 to 2014;
- in 2014 the dwelling allocation is mainly in favour of Italian citizens (60 %) and non-EU citizens (31 %), while EU citizens have a lower percentage (9 %).

The phenomenon of high social vulnerability (i.e. homeless, illegal migrants, people living in illegal settlements) is unknown and not counted by official record. At the same time, the “grey area” too (see Chap. 2) cannot be quantified, since there are no data on citizens who are unable to secure their housing condition but who live in an economical/affordable place.

It is important to recall the size of the market in order to better understand the housing scenario of Turin, which counts around 18,000 subsidised dwellings, 3.6 % of the city’s total housing capacity (Città di Torino 2015). Public dwellings are not so suitable for the current housing need, since 68 % of the total amount was built before 1981, and 73 % is in the range of 45 m<sup>2</sup> and 95 m<sup>2</sup> (ibid.). The rent of public housing could be fivefold less than the market price, with costs varying from €90/month for 40 m<sup>2</sup> to €285 for dwellings larger than 100 m<sup>2</sup>. Every year around 500 dwellings are freed and reallocated to citizens in the waiting list for subsidised housing. A specific agency, *Agenzia Territoriale per la Casa* (ATC), former IACP (see Chap. 2), manages all public housing according to regional rules. The allocation process follows the norms of the Piedmont Region (Regional Law 3/2010), considering the most needy families, evictions or other emergencies pointed out by social services.<sup>4</sup> This Law has opened the offer of public housing also to the migrant population, erasing the rule, which established the need to have a regular job in the city for at least 3 years before the request could be made (Città di Torino 2012). The main issues for citizens requesting public housing include overcrowding, unsuitable dwellings, and important hygiene problems (Città di Torino 2008).

The general picture shows how housing hardship has continued to grow in Turin. The gap between demand and supply is strong and there are no suitable policies that can cope with the increasing quantitative character of the housing issue. Public action is limited by scarce financial resources. The social housing residualisation process (Malpass 2008) is in full progress; social issues (like ageing population, low education, low professional qualifications and unemployment) are increasingly concentrated in public housing neighbourhoods.

### **3.2 Housing Policies of Turin: A Plurality of Plans, Initiatives, Actors, and Funding**

During the past decade, public and private actors have developed several housing initiatives in the territorial framework of Turin. Coming from different perspectives and points of view, various stakeholders have implemented housing solutions to meet a broad range of needs. Despite the scarce financial resources, virtuous actions have dealt with the housing issue and were unable to solve it but can be considered

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<sup>4</sup>The waiting list for subsidised housing has to be renewed every 4 years, but the list can be updated meanwhile based on the applications.

as “pillows” slowing down the impact of public housing residualisation and the financial crisis.

Public actors (Piedmont Regional Administration and the City of Turin) triggered the launch of local housing policies through a programming phase and specific attention towards the differentiated housing demand. The work of public authorities has been combined with the initiatives of bank foundations<sup>5</sup> and the services sector (associations and not-for-profit organisations) in order to shorten the gap between demand and supply, dealing with structural issues of the Italian housing system.

The institutional tools applied to Turin are not only the national Housing Plans (see Chap. 2) but also regional and municipal policies.<sup>6</sup> In 2006 the Piedmont Regional Administration developed the “Housing Programme: 10,000 dwellings by 2012” (*Programma Casa: 10,000 alloggi entro il 2012*) effective from 2006 to 2012. This is the setting where most of the regional social housing initiatives find some sort of funding. It can be considered a sectoral policy due to the condition of non-integration with regional spatial planning strategies or social service policies. The programme’s main goal is to create 10,000 new dwellings by 2012, and there are 8 main axes of interventions according to different targeted housing types, namely subsidised housing, assisted housing, experimental assisted housing and specific programmes for young people and senior citizens. The Regional Administration has calculated the creation of 6063 subsidised dwellings, 1937 assisted dwellings, 1400 houses for young people and 300 for experimental assisted housing.<sup>7</sup> Financial resources and actions are divided into three two-year periods.<sup>8</sup> The programme’s priorities can be summarised as:

- having new dwellings to be rented at a social price or at a limited price;
- supporting the housing supply for young and elderly people;

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<sup>5</sup>In Italy bank foundations play the specific role of ethical investors and complementary promoters of social policies. The general goal of these bank entities is to provide services and activities of general interest, which have a value for the community. These are not-for-profit entities and, according to Italian law (Legislative Decree 153/1999), they can operate in specific sectors, such as education, health, charities, religion, social housing and local development, civil rights, care of the elderly, sports, scientific research, environmental protection, art and cultural activities. In the housing and social housing sectors, they can invest in urban regeneration projects, in public-private partnerships, and they can provide public services.

<sup>6</sup>Italian Law 9/2007 requires the Regions to process an extraordinary social housing plan (the law indicates a specific focus on the social housing demand and on the categories of beneficiaries).

<sup>7</sup>Regarding differences in the housing demand, the Programme gives a response to people who cannot afford to pay a rent in assisted housing nor access subsidised housing. Experimental assisted housing is created for municipalities with more than 15,000 inhabitants, where rent prices should remain at an intermediate level between assisted and subsidised housing.

<sup>8</sup>The financial resources are divided as follows: 306.9 million euro for the first two-year period, 256.075 for the second one and 185.875 for the third one. The Housing Programme’s life span has been extended for economical and management reasons. Initially the end of the programme was calculated as around 2012–2013.

- promoting the agreed rent (rent paid in agreed housing, Law 431/1998) also in the private market;
- fostering the renewal of existing buildings, thus reducing land consumption;
- binding housing projects to use sustainable resources and eco-friendly building materials, thus limiting the waste of energy and natural resources.

The programme also supports feasibility studies to identify areas or buildings that could become part of housing supply, and the creation of local rental intermediation agencies, by promoting the meeting between demand and supply of assisted housing.

Other measures updated the regional housing programme for the subsequent years; for instance, in 2007 the Guidelines for social housing were added to the regional scenario (Regional Council Decree 27-7346/2007). The Regional Administration extended social housing promotion to temporary residences and dwellings to be rented. The temporary residences (also defined as micro-communities, social hotel/guest house) are designed to responding to insecurity issues, such as occupational precariousness, housing market difficulties and changes in family structure. These residences are intended to promote social inclusion and social integration. The dwellings to be rented are, instead, an improvement for Piedmont's rental sector. They are meant to be a solution for people who cannot access subsidised housing..

In 2010, the Piedmont Regional Administration also enforced a specific law on social housing (Regional Law 3/2010), regulating the sector (assessment of social housing allocation and social rent; organising the entities and actors operating in the sector; defining criteria to remove social housing bonds from social rental dwellings). An interesting experiment, included in the law (art. 21), is the figure of "social doorman", the presence of a caretaker in the form of a social cooperative/association/organisation in difficult neighbourhoods (social housing and vulnerable people), in order to improve social relations by creating networks, services and social events, thus strengthening the community.

The city of Turin has three documents (norms and plan), which must be taken into account when describing its housing policy in the last years:

- change in the city's Masterplan by providing 10 % of agreed housing in a new housing development (over 4000 m<sup>2</sup>) (Variante 37/02, art. 6, section 10bis Norme di Piano) in order to increase social housing and promote the social mix in new urban developments;
- guidelines promoting the social mix in the neighbourhoods where urban regeneration programmes are in force (Municipal Council Decree no. 06990/012 of 31/08/2004);
- municipal Housing Plan 2009–2010 (*Piano Casa*, D.C.C. 205/2008) that describes the actual situation and defines the strategies and initiatives for the next years.

The first two tools represent the intent to improve the social mix in both the new urban development and the older subsidised neighbourhoods. The financial character

of these measures is important, precisely the city is not investing big amounts, but alternative procedures (low-budget) are established in order to encourage social polarisation in the city. Following the first norm, the Municipality has the pre-emptive right to purchase flats within 12 months or else the flats will be rented out as agreed housing. Imposing this norm to private housing developers can be considered a burden for the private housing development sector, while new social housing flats are increasing the supply without a real public investment. The guidelines promoting different forms of action are, instead, meant to improve the social mix in social housing neighbourhoods. For instance, guidelines promote the creation of “special lists” of people who can access social housing. If normal waiting lists are defined according to economical, social and health criteria, “special lists” can include elderly people, young couples, migrant workers waiting to go back to their countries, disabled people and police officers. Using “special lists” allows to mix the traditional most vulnerable people with these categories of population, thus re-balancing the community.

Turin’s Housing Plan frames the housing situation in the city in 2008, but it also promotes several initiatives that were already implemented in the previous years:

- a public agency of intermediation for the private rental market called Lo.C.A.Re. established in 2001 and extended to the metropolitan area from 2010; it provides economic incentives and guarantees owners an economic contribution for the tenants; since 2001 this initiative has supported around 4000 tenancy agreements;
- new temporary residences for various categories of people (temporary city users, elderly, single parents, etc.) in housing need (called: Social Hotel “Sharing”, Social Collective Residences, Supportive Condo); the beneficiaries are individuals or families needing a dwelling for a limited amount of time (18 months maximum) for economic, occupational or family problems; in some cases, specific categories of people are added to these projects in order to complete a path towards housing independence with social services; public or private services are present in the buildings in order to assist both inhabitants and the neighbourhood’s citizens, thus maintaining relations with the rest of the urban area; some of these residences can be considered part of urban regeneration initiatives due to their transformational power to change dismissed buildings and areas;
- promotion of forms of co-housing, called Supportive Co-housing (*Coabitazioni Solidali*): since 2007 the city has experienced young people settled in subsidised neighbourhoods in order to support integration and cohesion in the multi-problematic social housing settlements, but also promoting young people’s independence from their original families; the young residents offer the community 10 h/week of voluntary work, and the municipality gives them a 90 % discount on the rent; the positive outcomes of this project have led to its application in other areas of the city;
- support of the private rental market and of evicted families; a specific form of local subsidy (“Safe from Eviction Fund”, *Fondo Salvasfratti*) was created through a partnership between the municipality and the local bank foundations

(Compagnia di San Paolo and Fondazione CRT<sup>9</sup>); the fund is used to find an agreement between families evicted from private rental dwellings and the owners in order to keep the families in the dwellings or to find other suitable accommodation; another subsidy (“Rent Supporting Fund”, *Fondo per il sostegno alla locazione*) supports vulnerable families paying a private market rent, and is provided throughout Italy; such a tool allows to financially support the vulnerable families, which could not access subsidised housing due to the lack of dwellings;

- organisation of the public real estate assets of the city of Turin, including the sale of public dwellings owned by the city outside its boundaries, purchase of new dwellings, specific forms of agreements between private developers and the municipality, and the implementation of the Masterplan’s norms (Variante 37/02, explained previously) to obtain new dwellings; the goal of the municipality is to recover financial resources and invest them in new dwellings, thus increasing its assets;
- support young citizens in order to promote their housing independence; several measures are guaranteeing loans and subsidies to younger generations to promote their access to the rental market or to home ownership, but also the availability of public dwellings or other forms of temporary housing.

The city intends to provide differentiated solutions to meet the various housing demands by targeting the various market niches (subsidised housing, housing subsidies, rental market, etc.). The different measures show the public interest for specific categories of people like the elderly, migrants, temporary users of the city, young people with precarious jobs, evicted families, etc. The city’s officers working on these issues are those who were previously involved in urban regeneration projects. They can be considered genuine institutional capital. They promote the integrated approach and cooperation with other public sectors (social services, health, police, etc.).

The city of Turin tackles different challenges with these initiatives, namely social mix, housing affordability, low rental market percentage, provision of services in some neighbourhoods, etc. The whole scenario shows the general goal of improving living conditions in the city.

As stated above, the two local bank foundations are also investing in housing to meet the housing need. In particular, Compagnia di San Paolo’s housing programme (*Programma Housing*) promotes experimentation of new housing models and practices, financing of housing initiatives (basically partnerships between the services sector and public authorities), and housing funding. The bank foundation has established a real estate agency called *Stesso Piano*, similar to the municipal one, to support young people in the private rental market; and two temporary residences

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<sup>9</sup>In Turin there are two bank foundations that provide several local services and activities, either as sponsors or promoters. *Compagnia di San Paolo* and *Fondazione CRT* are active and important actors in the city and many cultural and artistic initiatives, educational and health programmes are financed by them. In particular, *Compagnia di San Paolo* is the sponsor of various initiatives and projects in the housing sector and has a specific programme called Housing Programme (*Programma Housing*).

hosting vulnerable families and people experiencing housing distress, entrusting the residence to actors of the tertiary sector. Associations and NGOs are financed by this entity in order to address the housing need of specific categories of people (women, elderly, migrants, etc.) with pilot projects. The initiatives of *Compagnia di San Paolo* seem similar to those proposed by the city; in fact, they constitute a complementary actor providing housing solutions and funds for social experiments.

The system of real estate funds (Law Decree 112/2008 and Law 133/2008, see Chap. 2) is active in Piedmont too. “Sustainable housing in Piedmont” (*Abitare sostenibile in Piemonte*) is the regional real estate fund promoted by the Piedmont Regional Administration and 9 bank foundations with Cassa Depositi e Prestiti in order to build new social housing (ERS) to be rented at 25–30 % less than the private one.<sup>10</sup> The fund, which was established late in 2010 with an initial asset of €40 million, has reached about €120 million.

In 2012 another real estate fund was created by Fondazione CRT (the other local bank foundation) with other financial actors. Assets amount to around €37.7 million.

Both real estate funds have implemented, as in the rest of Italy, few housing developments. In Turin, the regional fund has promoted the transformation of an old building owned by a religious order in the city centre. The project developed 46 new dwellings in 2014 (70 % dwellings are on the rental market, while the rest has been on sale). Despite the attractive features of the project (architectural and locational aspects), the housing development was not so successful and several dwellings are still empty. The main reasons for this outcome is due to the high prices demanded.

The other fund, instead, financed the “social hotel” of Turin (called “Sharing”), a temporary residence developed in a peripheral area of the city. An old residential building was developed by a group of stakeholders (social and financial actors), opening in 2011 as dwellings for temporary stays and private services for the neighbourhood. The public authority triggered the process and guided it to its final shape and role in the city. This urban intervention is more successful than the previous one. It has been inhabited since it was first opened, and the mix of actors is also investing in other parts of Turin.

### 3.3 Turin Practices: Specificities and Limits

There are some similarities and differences between Turin housing policies and European trends. First of all, the cooperation of different actors (public and private) and the combination of different types of financial resources is a general trend both

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<sup>10</sup>The housing projects promoted by this fund are both new developments on greenfield sites and initiatives on existing buildings and brownfield sites. 58 % of the new dwellings will be rented at a limited price or rented for a few years and then sold. The remaining financed dwellings will be sold immediately (in some cases a restricted price is agreed with the interested municipalities).



in Europe and in Turin. It is the main local response to cuts in welfare, and it is also common to other sectors of public intervention, such as spatial planning, social issues, etc.

In Turin the main issues of the withdrawal of the State from social housing include privatisation of public stock, demand-side subsidies, retreat of public authorities from production of new social housing, involvement of non-specialised actors in the social housing sector, and restriction of the categories of beneficiaries. All these trends can be connected to the neo-liberal turn in housing policies (see Chap. 1). Privatisation of existing stock generates few financial resources and a general loss in the number of social housing dwellings. If the national plan suggests to sell the older stock, the city's sale plan focuses on the sale of dwellings outside the city's boundaries in order to concentrate the resources on dwellings inside the city, which can be better controlled and managed.

A peculiar aspect of Turin's housing policies is the intensive promotion of the rental sector in order to expand its limited market share (specific trait of the Italian housing market), but also, more importantly, to offer housing alternatives in a time of crisis. This policy is promoted mainly through demand-side subsidies (e.g. tax discounts, real estate agency Lo.C.A.Re. or various funds).

Management of the existing stock is an expensive duty in Italy, especially for the conditions of the old social housing buildings. In the case of Turin, the city takes care of some housing pilot projects with a guiding role (temporary housing residences, social/supportive ones) and makes an effort to maintain a sort of social support in older social housing neighbourhoods (i.e. initiatives about social mix and insertion of young people) that are well-known for their social issues focused on by former urban regeneration practices.

The involvement of non-specialised actors in the social housing sector constitutes another aspect connected to neo-liberalism. The public authority keeps its role as manager of social housing, and leaving aside new development aspects, and new actors have started to work in this field. Some associations or organisations specialise in housing, but various initiatives are involving inexperienced actors. The "social hotel" of Turin is an example of this trend. None of the actors implementing the project had experience managing a social hotel, but afterwards they implemented other forms of temporary housing in the city. Young people interested in Supportive Co-housing are also not specialised actors. The city believes that they can trigger positive dynamics in social housing neighbourhoods. At the same time, young people are supported to achieve an independent housing path in order to generate mutual gains.

The definition of stricter categories of beneficiaries is a typical measure to save on the costs of welfare, focusing on the most difficult situations (e.g. evictions) and often overlooking the categories at housing risk. In the case of Turin, the financial resources are shared among categories of housing needs, following the high differentiation feature. Housing policies have moved towards the middle class at risk in order to involve private actors (and guarantee them a gain), rather than towards the most vulnerable categories of the population.

About financial mechanisms, Turin practices are connected to the European scenario (Pittini and Laino 2011) by combining different financial sources, availability of land at discount prices and tax privileges for social housing providers, and setting a minimum percentage of social housing in new developments. The change in the Masterplan constitutes an example of this trend in which private promoters develop new agreed dwellings in key urban development projects.

Unlike Northern and Central Europe, where tenants are entitled to be part of the management of services and of companies, the situation has still not evolved in Italy. In Turin, even in pilot projects, there are no cases of the direct involvement of tenants. Furthermore, some of the European trends (Pittini and Laino 2011) are not present in Turin's social housing framework because of Italian features; precisely, there are no strong actors, such as housing organisations (i.e. The Netherlands) to get rated or to use their resources and surpluses. Undertaking non-landlord activities could be a trend to aim at, if the territorial housing agencies (ATC, former IACP) develop the skills and/or need more financial resources than now.

Temporary housing needs are, instead, related to changes in socio-economic structures and are a strong focus for Turin practices. The reason for this attention could be identified in their link with the rental market. The market is narrow and even the people who move for study or work reasons cannot find proper accommodation. The city has changed its mono-sectoral situation (car industry) into a globalised society that needs easier ways to move in/out of the city.

It is also interesting to underscore a first local answer to the effects of the financial crisis through the "safe from eviction" fund. The financial crisis is having a strong impact on housing, especially on the public resources that are cut by the central government, and it is likely to persist in the process also in the future. Observing the scenario of the last years, it is clear that the role of ethical founder assigned to bank foundations is quite important in the local context, especially for the implementation of social housing policies.

Furthermore, the new real estate funds, supported by the National Housing Plan, have a difficult path with few developments in Italy and even fewer in Piedmont. Nevertheless, it is hard to assess their efficacy concerning the housing need; the two cases of Turin show an unclear picture.

### **3.4 Social Housing Practices in the Light of Social Innovation**

Social innovation is a buzzword, especially since it appeared in European Union discourses and was largely mainstreamed into EU policy processes (Sabato et al. 2015). It is a controversial concept with no basic agreement on its exact meaning, but a variety of definitions (Caulier-Grice et al. 2012; Hubert 2010; Ilie and During 2012; Jenson and Harrisson 2013; Moulaert et al. 2013). This concept has a high degree of flexibility with some analytical and empirical weaknesses (Jenson and

Harrison 2013). It draws on numerous disciplines and theoretical traditions, which makes it difficult to build upon (and to develop) a common paradigm.

This analysis is grounded in the approach to social innovation linked to social exclusion and poverty. The work of Moulaert et al. (2005, 2009) in the domain of social exclusion and urban policies outlined an interesting operational scheme of social innovation. According to this approach, social needs addressed by social innovation are highly contextual, but not limited to local space (Drewe et al. 2008). The local embedding character of socially innovative actions does not signify local isolation. Most successful experiences show that social innovation relies on cooperation and support from actors working at other scales and territories. Social innovation has a grassroots nature, entailing participation and inclusive organisational procedures. The capacity to promote the participation and the empowerment of socially excluded groups will eventually lead to the transformation of social relations; thus this change can enable excluded groups to improve their living conditions (Moulaert and Cabaret 2006). Social innovations can be seen as direct and pragmatic responses to needs experienced by individuals and groups in their daily life, bypassing slow and rigid bureaucratic procedures. Social innovations are new in a particular context and offer an alternative for existing practices and structures that do not adequately support individuals and groups in meeting their basic needs.

Social housing and initiatives presented in the case of Turin are linked to the concept of social innovation. The initiatives presented in the previous section can be grouped into social innovation practices. They are ideas turned into practical approaches, new in the context where they appear. They attract hopes for better coping strategies and solutions, and are marked by a degree of risk and uncertainty (Evers et al. 2014). Turin's practices are acknowledged as new service arrangements (in terms of organisational structures, processes and types of service offers) in the local welfare system concerning the economic and political frameworks (funding, decision-making procedures and participation). They draw on the city's urban regeneration and integrated approach (as streams of values), including both bottom-up and top-down elements, and various local stakeholders (public and private at different scales) implement a variety of practices.

Moulaert et al. (2009) developed a model that establishes a relationship between the alienation of human needs (which is expressed according to different forms of social exclusion), and the resistance of human beings against social exclusion. This resistance takes a variety of forms to by-pass the alienation and dissatisfaction of human needs. Initiatives to satisfy human needs and to create (or reinforce) social relations can be established by improving elements of governance and political empowerment. Following the model, social exclusion dynamics and deprivation of human needs are faced by mobilising resources in order to develop social economy initiatives (focused on the organisational and institutional dynamics of civil society, visions and intentions, and culture and identity building). Therefore, social innovation is turning exclusion into inclusionary strategies and processes based on meeting human needs, changing social relations, and empowerment. Two dimensions, space and time, also characterise the process of creating social innovation, taking into account the dynamics of path-dependency and territorial specificity. The

analysis of housing policies and initiatives in Turin applies this model by using the three elements that identify social innovation, also considering other aspects (why and how, space and time). The goal is to identify which local practices are likely to create social innovation. It has been observed whether:

- meeting human needs (material and immaterial) is considered or met;
- changes in social, power and/or governance relations within the community and between the community and society at large (among citizens, civil society organisations, business interests, government institutions, at different spatial scales) are taking place;
- the empowerment of marginalised social groups, through the enhancement of capabilities and the (re)creation of identity, thereby increasing their visibility, recognition, access or voice rights is fostered and achieved.<sup>11</sup>

Empowerment could be the haziest criterion, so the model refers to a specific definition of it. “The capacity to elaborate collective visions and intentions—“What’s to be done”—is a fundamental element in the construction of collective identities, cultural change, and new capabilities. [...] The most successful socially innovative initiatives enabled their constituencies not only to be heard, but also to actively pursue and achieve their inclusion in service delivery systems, decision-making processes, or the labour market” (Moulaert et al. 2009, p. 55). The citizens interested by social innovation processes are disempowered by the lack of rights or authoritative decision-making. Then they become involved in agencies and movements, mobilising their assets through procedures of consultation and shared decision-making.

In the Table 3.1, the policies and initiatives taking place in Turin are analysed according to the three criteria of the chosen model. The analysis needs to examine them in detail in order to distinguish the different characteristics of each initiative.

All Turin social housing initiatives meet human needs because their goal is to respond to the housing demand. The housing need differs for each initiative, and is related to restricted and specific categories of citizens. About half the practices create changes in social relations, while only a few of them also implement the empowerment criterion. Change in social relations is acknowledged in all practices designed to achieve a new form of cooperation and integration among citizens. The implementation of the social mix, the creation of new services open to the neighbourhoods, and the promotion of activities between the inhabitants and the citizens living around those housing projects are the triggers to change social relations in order to tackle social exclusion. It is, instead, clear that the local real estate fund does not create changes in social relations or any form of empowerment. It only provides new dwellings.

Regarding the few initiatives that include all three criteria, the empowerment criterion is met through the goals of the initiatives. Firstly, Social Collective Residences consider empowerment as the main aim for their beneficiaries; the inhabitants involved have the opportunity to improve their conditions, moving from

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<sup>11</sup>These definitions of the criteria are identified in the ALMOLIN model (Moulaert et al. 2009, p. 42).

**Table 3.1** Assessment of social innovation dimensions in Turin's practices

Dimensions of social innovation			
Initiatives	Satisfaction of human needs	Changes in social relations	Empowerment
Change in the Masterplan of the city providing 10 % of agreed housing in new housing developments (over 4000 m <sup>2</sup> )	X	X	
Guidelines promoting the social mix in neighbourhoods where urban regeneration programmes are in force	X	X	
Housing agency supporting the private rental sector (public: Lo.C.A.Re., private: StessoPiano)	X		
Temporary residences (different forms: social collective residences, supportive condo, social hotel "sharing", implemented by public and private stakeholders)	X	X	X <sup>a</sup>
Supportive co-housing	X	X	X
Support of the private rental market and families experiencing eviction (fund "safe from eviction", Rent supporting fund)	X		
Organisation of public real estate assets of the city (sales, purchases and agreements)	X <sup>b</sup>		
Support to young citizens in order to promote their housing independence	X		
System of real estate funds: local fund "sustainable housing in piedmont"	X		

Source N. Caruso

<sup>a</sup>X The empowerment of this type of initiatives is achieved by some of them due to their specific characteristics. In particular, Social Collective Residences and Supportive Condo are the ones that can also improve the empowerment of their inhabitants (it will be detailed in the paragraphs below)

<sup>b</sup>X The sale of subsidised housing is included in this category in order to organise the current assets. The sale can affect the capacity to meet human needs; hence, achieving the first criterion depends on the outcomes of the whole organisation

a vulnerable state (assisted by social services) to a steady lifestyle.<sup>12</sup> Housing is the first step in this process. Secondly, Supportive Condo<sup>13</sup> has a potential character of empowerment since this initiative could create empowerment for the beneficiaries

<sup>12</sup>Temporary housing (18 months maximum), funded by the Piedmont Regional Administration, promoting housing for vulnerable people who are moving towards their independence from the support of social services. These buildings provide common services and spaces that are open to the neighbourhood, thus promoting integration. There is a social manager for each residence, who promotes social and care networks.

<sup>13</sup>This form of housing, funded by the Piedmont Regional Administration (one project of Compagnia di San Paolo), is between social housing and independent/autonomous housing. There is no limited time for the stay. It is targeted at a specific category of people, namely the elderly (in social housing lists). The social housing supply is often unsuitable for these people due to their various social needs, health services and the barrier-free spaces required. In these buildings the

**Table 3.2** Stage “why” of the social innovation process

Initiatives		
Features of social innovation	Social collective residences ( <i>Residenze collettive sociali</i> )	Supportive co-housing ( <i>Coabitazioni Solidali</i> )
Social exclusion dynamics (from employment, services, housing, citizenship, decision-making)	Vulnerable people in housing need, people taken care of by social services	Social housing neighbourhoods: tenants with low-income and socio-economic issues, high concentration of vulnerable population categories. Young people excluded from independent housing conditions
Deprivation of human needs (material, social, existential and political ones)	Deprivation of housing need, people leaving social service facilities	Subsidised housing: multi-problematic tenants of social housing, phenomena of social exclusion and polarisation, issues about public space care, community identity Young people: housing need due to economic issue

Source N. Caruso

(elderly people and single mothers with children). The goal is to reinforce identity, social relations and improve integration into local communities. Thirdly, Supportive Co-housing improves the conditions of inhabitants who use subsidised housing. Young people are triggers to enhance neighbourhood relations and to create community relations and feelings of identity. “The right to the city,” the empowerment of inhabitants in subsidised neighbourhoods, is the goal of this initiative promoted by both the city and the local associations and NGOs.

The table above reports the “what” stage of the model by Moulaert et al. (2009), while the “why” and “how” stages (Tables 3.2 and 3.3) allow to explore the full character of the few socially innovative initiatives. The detailed analysis will only examine the Social Collective Residences and the Supportive Co-housing because they are the most likely to implement empowerment, while Supportive Condo has lower empowerment potential.

Social Collective Residences and Supportive Co-housing are part of the same strategy defined by public and private stakeholders at different institutional scales. The next phase is “time and space.” The path-dependency character is based on the traditional integrated approach of the city’s urban policies but also on the urban regeneration phase that strongly affected social housing neighbourhoods. These characters can be clearly noticed in housing initiatives with focus on a multiple goal

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(Footnote 13 continued)

elderly are mixed with other categories of people (i.e. single mothers with children) and there are common spaces and services for tenants and neighbourhood.

**Table 3.3** Stage “how” of social innovation process

Initiatives		
Features of social innovation	Social collective residences ( <i>Residenze collettive sociali</i> )	Supportive co-housing ( <i>Coabitazioni Solidali</i> )
Mobilisation of resources (human, socio-institutional, organisational, financial)	Different actors active in the initiative. Institutional capacities of the public actors; managing capacities of social associations/organisations, cooperatives. Financial resources from the Piedmont Regional Administration and Compagnia di San Paolo	Mobilisation of young people (work and social support into social housing neighbourhoods). Public partnership involving municipalities, social services, territorial housing agency, civil society’s associations/organisations. Economical initiative
Social economy initiatives	There are common services and spaces open to the neighbourhood. The aim is social integration and promotion of independent paths for tenants of these facilities	Promotion of feelings of respect and community building in the neighbourhood. Promotion of common care of public spaces. Young people managing social relations
Movement for change (vision and intentions; culture and identity building; organisational and institutional dynamics of civil society)	The main vision is the municipality’s: offer vulnerable people the opportunity to integrate into society and normal housing conditions Social paths accompanying tenants towards self-independence: people are supported towards a process of identity building and creation of personal organisational skills	The main goal for young people participating in the project is the creation of social relations and a community identity. A form of “taking the neighbourhoods back,” strengthening a process of reclaiming spaces, is the main intention of the project. Organisational skills are developed and civil society is cooperating with public authorities to enhance cooperation and better manage social housing (institutional capacity)

Source N. Caruso

policy (social, physical and environmental) promoted by public-private partnerships, the use of inclusive tools, concern for the most problematic social housing neighbourhoods and vulnerable citizens.

On the other hand, the territorial specificity is related not only to municipal public authority and its institutional capacity (institutional *milieu* or capital). The team of civil servants employed in the public housing sector is the one that was previously in charge of urban regeneration projects with an integrated approach (URBAN initiative projects and other programs).<sup>14</sup> Their skill can be recognised

<sup>14</sup>Also see the website: <http://www.comune.torino.it/rigenerazioneurbana/> and Città di Torino (2005).

not only in the way they cooperate with different public authority departments and deal with multiple dimensions of a social and urban challenge but also in the joint action with other local stakeholders (bank foundations, regional public authority, services sector). This cooperation allows experiments and improves the definition of new strategies. Despite the absence of strong actors in the social housing sector (such as housing associations present in Northern and Central Europe), the partnerships among public and private actors shows a coherent picture of Turin housing policies towards differentiation and interest in new flexible and temporary forms of response.

The analysis of social innovative characters in Turin housing practices reveals that, despite the general framework of innovation in the local sector, only few initiatives are really tackling all the dimensions of social innovation. The local actors deal with a mix of top-down (i.e. regional intervention) and bottom-up practices in order to cope with the scarce public resources and the missing long-term national strategy. In spite of Turin's long-sighted local intervention in the sector, the housing need has become an urgent and pressing form of social exclusion due to the economic and financial crisis. The city is currently experiencing a state of emergency for housing (see data on evictions), and those summarised practices constitute the only measures restraining the critical situation.

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## Chapter 4

# Social Housing and Social Innovation: Remarks for Future Policies and Practices

**Abstract** In the conclusions the author summarises the various elements of the Italian context and of the case study, giving some reflections regarding social housing in Italy and its future perspectives. The austerity policy has strong and immediate effects on the current situation and its evolution. The concept of social innovation is also discussed considering the international debate and its recent applications to welfare innovations (European research projects).

**Keywords** Social housing · Housing policies · Social innovation · Europe · Italy · Welfare state restructuring · Financial crisis · Rescaling of social policies

### 4.1 Strengths and Limitations of Social Housing in Italy

The strength of traditional social housing policies has ended with the neo-liberal turn and the withdrawal of the State from housing as a welfare sector. In some European countries important strategies are still developed by the national state but the Italian situation is different. Italian housing policy is traditionally residual and oriented towards home ownership. Despite the controversial national scenario (various governments' turnover, see Chap. 2), in the local contexts the concept of social housing has been expanded and various types of interventions are now part of public housing policies. Public authorities (Municipality, Regional Administration and territorial housing agency) are making an effort to take care not only of the most vulnerable classes of the population, but also of different categories of people with housing needs. In fact, the cities' public entities and their private not-for profit actors acknowledge the growing diversity of the housing demand. The measures adopted focus on the differentiated demand, namely young people, the elderly, temporary residents and immigrants. The intention is to adapt housing policies to social groups that are experiencing housing hardship or which are at risk of housing deprivation.

The economic dimension is central in the definition of new actions in the field of housing. Handling limited financial resources, and better definition of categories of

beneficiaries has become extremely important. The main criticism to this policy approach is that it pays more attention to new forms of social vulnerability (the “grey” area, Chap. 2) than to persistent situations of acute housing deprivation. Nevertheless, it is undeniable that the implementation of a plurality of housing policies seeks to respond to increasingly detailed and complex needs. The differentiation of initiatives also involves their forms; they can be norms, rules, or plans, programmes, or even initiatives, projects and provisions. The change in the cities’ housing policies demonstrates the attempt to overcome the quantitative approach and move towards a less aggregated image of the demand.

A clear picture of the housing demand is hard to get in Italy. In terms of quantity, demand-related data are partly measurable with no clear details about how many people have temporary housing needs or who has affordability problems in the private housing market. Both the number of people in the lists for social housing and the total amount of public dwellings are registered, so the public housing situation is better defined. For instance, in Turin there are around 18,000 subsidised dwellings<sup>1</sup> with around 10,000–13,000 applicants each call (13,000 in 2014). Every year only few hundreds of dwellings are freed and change their tenants. Adding the number of families with emergency housing conditions (e.g. eviction) and the ones at housing risk to the waiting lists would strongly increase the demand’s numbers.

The high degree of differentiation among local contexts, regions, provinces, municipalities, North and South of Italy shapes the Italian scenario. The housing need is pressing throughout the country, shaped by different local characters (changes in the housing demand, number of empty dwellings, percentage of illegal housing or squatting in public housing, etc.). Urban dimension, extent of housing needs and local actors influence the outcome of practices. Despite these local differences, the subsidised housing sector responds to a small share of housing hardship and is unable to offer a solution for all applicants. Therefore, considering the current data about the impact of the financial crisis and the growing socio-economic inequalities in Italian cities, housing can be acknowledged as one of the main pillars of welfare to be addressed in order to improve social cohesion and social inclusion at a national scale.

The current state of Italian housing policies forces local actors (public and private) to develop new strategies and initiatives dealing with various aspects of housing needs and housing conditions, especially resulting from a neo-liberal approach and welfare cuts. While scarce financial resources are disseminated through different types of practices, the quantitatively small dimension of housing policies represents a field where experiments and pilot projects become feasible. Practice differentiation allows to test different forms of actions, dealing with few aspects of the complex housing need. For instance, focus on the temporary housing need is well acknowledged in Turin, where temporary residences test various

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<sup>1</sup>Instead, the main metropolis in the North-West of Italy, Milan, has about 60,000 dwellings and 1.3 million citizens. The size of subsidised housing also influences its management in terms of financial resources to maintain it, managerial capabilities, social services to support the inhabitants and avoid social polarisation and social exclusion.

housing forms, but they also mean to increase the small percentage of rental housing. Another important feature of these practices is social mix as a goal of housing initiatives. For instance, setting a minimum percentage of social housing in new developments is an innovative planning obligation that improves the number of dwellings and promotes the social mix. The same mechanism was implemented in the UK and in France too (Pittini and Laino 2011).

Nevertheless, if new pilot projects are interesting and useful for the local context, the main outcome of the current housing practices (well expressed by Turin's broad and differentiated scenario) is their quantitative dimension, since only a small number of new dwellings is added to the market. Specific data cannot be identified but, according to case study, the current practices do not suffice to meet the demand. They may be useful for less than 5 % of the current demand.

The implementation of policies for the rental market constitutes a response to a weakness of the Italian housing system. The rental market is so marginal and restricted that it does not constitute an actual alternative to home ownership. Some of Turin's initiatives deal with the rental market's weaknesses, subsidising tenant or owner, thus matching demand and supply better. Successful in the central city, this policy has overcome the city's boundaries and is now applied in a metropolitan scale.

Another common aspect of new housing practices concerns environmental quality and sustainability criteria, which are considered as crucial parameters that define new housing models and better quality of life. This approach to new buildings and to the renewal of older ones has spread throughout Europe (this trend was also recognised by CECODHAS (ibid.) in various European countries). In Turin, all initiatives designed to renovate old housing or build new ones promote environmental sustainability and energy efficiency.

Conversely, the Italian system of real estate funds has raised ethical issues because it is based on public and private financial resources that are used to build private housing (home ownership or rental). The beneficiaries are closer to the middle class, rather than to the most vulnerable one in need. Therefore, it is not so clear if this system provides an actual response to the housing need or whether it is only a form of financial investment in the real estate sector.

If the housing demand has different characters and sizes, as explained before, the local stakeholders and their capabilities influence and shape the practices too. The case study of Turin is peculiar for its path-dependency on the urban regeneration season and the use of the integrated place-based approach (see Chap. 3). Focus on social cohesion and social inclusion is central in Turin's practices. The institutional capital of the previous decades, which experienced and encouraged its implementation, is now targeting the housing field<sup>2</sup> by improving cooperation with private

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<sup>2</sup>The Regional Administration, which promotes and finances policies and initiatives, the ethical investors, who have become complementary actors in the implementation of these strategies and, the not-for-profit sector, which manages the projects. All stakeholders are important when defining, implementing and fostering strategies and initiatives.

stakeholders, such as ethical founders (bank foundations). The active role of bank foundations is also a matter of place-specificity. Their presence is not evenly disseminated in the country but the difference between Northern and Southern Italy is confirmed in this respect too. The most active bank foundations are located in the North, especially in the local context of Turin and Milan (i.e. Cariplo, Compagnia di San Paolo, Fondazione CRT, etc.). Their resource availability allows the existence of a broad range of associations and not-for-profit organisations. And the initiatives promoted by bank foundations are essential for securing services in some local contexts.

Conversely, territorial housing agencies (the manager of subsidised housing) represent a sort of powerless stakeholders in the housing practices in recent years in Italy. In Northern and Central European countries, social housing providers are rated by international rating agencies and social housing managers undertake non-landlord activities (Pittini and Laino 2011), but these actors are not so reliable or independent from public authorities in Italy. A detail has to be emphasized, precisely that territorial housing agencies have to pay public authorities specific taxes on their real estate. This is controversial since dwellings are a public service for citizens in housing need. The request has been made to release agencies from this burden but the issue has still not been solved. A possible future perspective for these actors is to focus on independence in order to improve their financial situation. Some of these agencies have a big real estate capital, which they manage knowledgeably. They could show the soundness of their economic activities and reliability. For instance, they could promote new commercial activities, which produce profits, and the inhabitants of the neighbourhoods could run these activities and common spaces.

The financial problem is not secondary in this context. Regional funding and ethical funders have financed all the practices in recent years in Turin. Public funding has issues in terms of limited duration, namely the sustainability of initiatives and the constant search for new funding. Then, availability depends on political shifts, which affect not only the financial resources but also the orientation of programmes. The financial dimension represents the unknown and unpredictable feature of social housing practices in Italy.

Spatial planning tools could be integrated with housing strategies; in particular, better management of urban land use and land revenue can ease urban developments. Current social housing practices are still not properly integrated into urban planning processes in Italy. A better integration is not only a matter of procedural change, but these innovative practices can show the value of the integrated differentiated approach in order to address various issues. Overcoming traditional solutions in housing policy could be studied to be adapted to other urban challenges (presence of brownfields, deprived neighbourhoods, social exclusion dynamics, etc.).

The current situation will generate several challenges for the housing sector in the next years, both in Italy and in Europe:

- financial crisis: effects and impacts are still in progress and the future situation cannot be foreseen, but the growth of inequalities and social exclusion is real (Oosterlynck et al. 2015a);
- migration processes (refugees and migrants welcome policy): all over the world the population is moving towards urban areas in order to improve their quality of life; housing need is a central issue and a proper response is a controversial goal for all countries and local authorities in Europe;
- importance of innovative capacity to support housing practices in the current situation; according to the case study, the institutional capacity is essential as a trigger to develop and experiment with new initiatives; different actors, not only institutions, could promote the launch of new practices;
- changes in the political scenario: in the local contexts a significant political shift in the city's administration and management can completely transform policies<sup>3</sup> and produce a turnover in terms of practices;
- housing need as a challenge for metropolitan governance: in Italy every municipality deals with the housing issue following its own strategies and projects, but it is a matter of metropolitan governance. This social issue needs to be tackled in a wider geographical scale.

## 4.2 Social Innovation: A Reflection on Its Operational Character According to Italian Social Housing Practice

Social innovation, as one of the buzzwords of the last decade, can be recognised as a controversial concept with multiple definitions and approaches. For instance, the number of projects directly or indirectly focussing on social innovation funded by the European Union rose from 4 in the 5th Framework Programme (1999–2002), to 6 in the 6th (2002–2006) and 16 in the 7th (2007–2013) (Sabato et al. 2015). Remarkable differences can be noticed in the various projects, according to the focus on public sector, social enterprises, corporate social responsibility, or referred to specific groups (Jenson and Harrisson 2013). This variety entails a wide range of approaches to practices; hence, the applicability of social innovation varies according to each definition.

Turin housing practices form an innovative social framework. They are context-sensitive, strongly localised and have a place-based character (Moulaert et al. 2013).

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<sup>3</sup>For instance, in another Italian region, Lombardy Regional Administration is currently reforming social housing sector and its policies through a law proposal. The proposal is to privatise the sector, changing also its name in “housing services”.

The neighbourhood scale is the main geographical context for daily experiences of less fortunate groups and the scale where unmet needs can be met. The sense of community is stronger at the local scale, and this is an important feature to foster participation, solidarity and collective mobilisation, especially in cities (Moulaert et al. 2009). And public institutions are considered best-suited to promote social innovation tackling social exclusion through their proximity to citizens (Andreotti and Mingione 2014).

Moreover, these practices make a difference in terms of organisational structures, processes and types of service offers. They concern both economic and political dimensions due to the new financial mechanisms and funding arrangements implemented, and the changes introduced in the decision-making process. The introduction of the integrated approach to the housing field, a traditionally sectoral policy in Italy, can be considered an innovation. This approach reflects the city's underlying values and practices. In the housing sector, the integrated approach has determined multiple forms, a sort of cluster of small differentiated projects. All these recognised characters were detected as fundamental to identify social innovation (Evers and Ewert 2014). Furthermore, Turin housing practices brought the set up of new modes of decision-making and funding together by developing relationships between actors and organisations in the local welfare system. The public authority has developed a set of initiatives that present an incremental trend, reaching beyond standard solutions by adopting a flexible approach and open-ended tasks. Inter-sectoral and semi-formalised networks determine the implementation of the initiatives. This housing policy is also showing characters of stabilisation in the local scenario, since the Piedmont Regional Administration and the city of Turin started it about a decade ago.

In this study, social innovation was applied to social housing according to the model of Moulaert et al. (2009). The model was originally developed in order to analyse urban development projects, but its operational character allows to analyse other practices, such as social housing. These practices respond to a specific need (housing), change social relations and, in some cases, foster empowerment. Focusing on the Turin case study, only a few selected practices correspond to all the dimensions of social innovation. The initiatives designed to develop social innovation could be improved by focusing on empowerment and by supporting the involvement and participation of citizens. The path-dependent attribute and territorial specificity are essential to support empowerment. Their importance is also acknowledged by the case study. The capabilities and skills of institutions entails better outcomes related to the stakeholders' experiences.

Turin housing practices focused on the social dimension can be recognised as exceptional and peculiar in the Italian context, which is at times used to integrate the social dimension into spatial planning mechanisms or sectoral policies. Empowerment is the feature that has to be improved by focusing on relations between tenants and initiative developers. Various forms of involvement can be promoted.

It is also obvious that not all the initiatives have to be socially innovative. Experimental residences, social hotels or other initiatives will benefit by drawing attention to changing social relations and, thus, improving the empowerment of tenants. Services like subsidies or rental intermediation can, instead, be less socially innovative. Following the three social innovation criteria permits to focus on the local community and on the construction of an active local *milieu*. This represents an important approach for the future directions of projects and initiatives, strengthening social relations and the empowerment of citizens.

IMPROVE EU project (Oosterlynck et al. 2015b, p. 31) underscores the risks and weaknesses of social innovative initiatives in Italy:

- lack of effective national coordination and redistribution,
- limited possibility for municipalities to elaborate systemic interventions on poverty and social exclusion (municipalities are territorially limited and not connected to crucial policy sectors (i.e. labour policies),
- reduce social policies to a patchwork of initiatives and actions,
- risk of moving social issues outside jurisdiction instead of addressing them,
- risk of investing energies and resources at a local level with weak chances of sharing innovative outcomes, multiplying and upscaling the benefits.

On the other hand, the Italian tradition of voluntary associations and social cooperation is considered an asset for the country. These weaknesses and strengths are acknowledged by Turin housing practices too, but they have a different degree of importance and impact. The limited territorial affect of Turin housing practices is due to the city's jurisdiction and boundaries, and cannot be avoided. Nevertheless, some practices and policy orientations are spreading, so it seems, in the regional context through the regional authority and the good results achieved by early pilot projects. Good practices are also circulating in the national debate due to information sharing in the housing sector. Conversely, the remark regarding the missing national structural frame cannot be mitigated. Local policies have neither been affecting national policies nor influencing other linked policies (such as the labour policy). The case study's practices can be considered as isolated experiences in the country, even if they have been developed as a coherent local strategy. This situation determines the fragmented and variegated character of social innovation in Italy, acknowledged by IMPROVE project (ibid.).

Finally, the analysis of Turin housing practices confirms that local social innovations can be considered laboratories for the ongoing restructuring process of the European welfare state, where institutions (particularly public authorities) play a central role in defining the main strategy and as process drivers.<sup>4</sup> The increasing role of local authorities and of the European Union links social innovations at a local level with macro-level orientations and policies. These institutions are part of the shifts in the welfare state and in the rescaling process of social policies.

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<sup>4</sup>These aspects confirm the statements presented in the IMPROVE EU project about local social innovation and welfare state restructuring (Oosterlynck et al. 2015a, b).



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