

Housing: Helping Those Who Really Need It

An Interview with Fanny Bugeja

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It is neither simple nor cheap for French people to find housing, especially if they are young. This fuels social inequalities and recent programs, with their emphasis on homeownership, have made things worse. For sociologist Fanny Bugeja, making it possible for everyone to have, but not necessarily to own, a home should be a national priority.

Over the past twenty years, the share of housing in the budgets of French households has risen considerably, to the point of becoming unbearable. Renters are particularly affected, especially in the private sector, but so are, to a lesser extent, those who live in public housing. They consist of young people and households with modest incomes. The cost of renting space has nearly doubled over the last twenty years for renters in the private sector, while for owners—even with mortgages—it has remained largely stable. Average renters have changed as well. They are younger and poorer, because they take longer to enter the job market and have to face banks' steeper requirements when they try to get a mortgage.

The Housing Crisis Is Harder For Young Adults

The housing situation in France is characterized by very sharp generational inequalities. Housing takes up far too much of the budgets of young adults in rental housing. This intolerable

pressure results in a decline in the share of their expenses devoted to leisure activities. Conversely, households made up of people sixty-five and older have become homeowners at a completely unprecedented rate: 75% own their principal residence and have paid off their mortgages. Unlike the youth, these circumstances allow them to adopt lifestyles in which leisure activities occupy an increasingly important place.

In addition to inequalities between generations, there are numerous inequalities that exist between young people themselves. Young people whose parents are homeowners find themselves in a very different situation than young people who lack this advantage. For the latter, not only is parental assistance (financial aid, deposits needed for rent, etc.) too slight, but the state and municipality offer too little as well.

Housing Programs Create Inequality

Housing programs have failed to decrease the importance of rents in the budgets of the young and the poor. In practice, one consequence of the personalized housing assistance program (*aide personnalisée au logement*, or APL) for the youth and for students has been increasing rents. Similarly, measures promoting home ownership (such as zero interest loans for first-time homeowners, a program known as *prêt à taux zéro* or PTZ) contribute to rising real estate prices and generally benefit better-off households that would have eventually become owners even without such measures.

This situation can be explained by several features of government policy. Let me mention two. In terms of housing policy, the most notable trend in France has been the promotion of property ownership, which has risen dramatically since 2007. This conservative approach values property at the expense of location. We should remember that less than fifty years ago, we were still in the age of the renter, when rents were low and it was not unusual to rent one's entire life, even in well-heeled circles. Another cause of intergenerational (i.e., between generations) and intragenerational (i.e., among young people) inequalities is undoubtedly the French welfare model, in which the state first gives to older people, who are then responsible for giving to their children.

Concentrate on the Bottom 10%, Create Solvability

For a France with good housing, two critical measures are required. The first relates to efforts to build more public housing. Building on the SRU law (*Solidarité renouvellement urbain*, a law from the nineties that required towns to have a minimum threshold of public housing), there is need for a new effort to build more public housing. Currently, efforts are focused on so-called “intermediary” residences—in other words, for the middle class. If we want to fight the French housing crisis, we must concentrate our efforts on those who need housing the most, namely the bottom 10% of the income distribution. Today, only 3% of construction sites are aimed at their needs. We must offer *very* public housing, with rents far below the market rate, to lower-income populations.

The other measure concerns aid to individuals. Aid to individuals needs to be more targeted towards the households that need it the most. Perhaps we also need to allow the levels of aid to rise so that households can become solvent. This targeting could draw on the current British system, which thoroughly examines the files of applicants to ensure that the number of household members, the characteristics of the residence, and the rent amount in relation to location all match up. The problem with this measure is, of course, the amount of time it takes to consider the files. But it means that housing assistance can really help households that need it to become financially solvent.

Public Housing for Those Who Need It

The status of the renter must be promoted anew. Rather than making 70% of the population homeowners, we should set the goal of making sure that 20% of the public housing stock goes to lower-income families. This measure would settle many problems connected to the housing crisis. The point is not to downplay the homeowner’s status. But if we want a France in which people are properly housed, the state’s priority should not be to help people become homeowners. The priority must be guaranteeing access to housing for all, by developing public housing for those who need it and who under current conditions are unable to find housing on the free market.

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