Networks and Fault Lines

Understanding the role of housing associations in neighbourhood regeneration:
a network governance perspective

Gerard van Bortel

Networks and Fault Lines

Understanding the role of housing associations in neighbourhood regeneration: a network governance perspective

Gerard van Bortel

Delft University of Technology, Faculty of Architecture and the Built Environment,
OTB - Research for the built environment

Networks and Fault Lines

Understanding the role of housing associations in neighbourhood regeneration: a network governance perspective

Proefschrift

ter verkrijging van de graad van doctor
aan de Technische Universiteit Delft
op gezag van de Rector Magnificus prof ir. K.Ch.A.M. Luyben
Voorzitter van het College voor Promoties,
In het openbaar te verdedigen op
4 Maart 2016
Door
Gerard Antonie VAN BORTEL
Doctorandus in de bedrijfswetenschappen
Open Universiteit, Heerlen
Geboren te Breda

This dissertation has been approved by the promotors:
....

Prof. dr. ir. M.G. Elsinga, Prof. dr. P.J. Boelhouwer and Prof. D. Mullins

Composition of the doctoral committee:
....

Rector Magnificus	Chairman
Prof. dr. ir. M.G. Elsinga	Delft University of Technology
Prof. dr. P.J. Boelhouwer	Delft University of Technology
Prof. D. Mullins	University of Birmingham
Independent members:	
Prof. B. Bengtsson	Uppsala University, Sweden
Prof. dr. E. Van Bueren	Delft University of Technology
Prof. dr. E-H. Klijn	Erasmus Universiteit, Rotterdam
Prof. dr. M. Oxley	Montfort University Leicester, UK
Prof. dr. ir. V.G. Gruis	Delft University of Technology, reserve member

In memory of my father ... again

Preface

My time, the rank I attain, my outward appearance — all of these are secondary. For a runner like me, what's really important is reaching the goal I set for myself, under my own power. I give everything I have, endure what needs enduring, and am able, in my own way, to be satisfied.

Haruki Murakami, 2009, p. 173[1]

Running a marathon and doing a PhD

In November 2011, I ran the New York City Marathon in 4 hours and 47 minutes. In 2016, I hope to defend my PhD dissertation, after roughly ten years of contemplating, interviewing, analysing, writing, omitting, and editing. The similarity between the two events is that in both instances it took me quite some time to finish the job. Maybe this is an awkward way to start a preface to a PhD, but there are many parallels to draw between running a marathon and doing a PhD—parallels that I want to use to reflect on my academic 'journey' that has resulted in this thesis.

Finishing a marathon can be seen as a symbol of perseverance, but it can also be a symbol of needless suffering. You do need to be a bit crazy to run a marathon, and the same goes for writing a PhD thesis, especially when you do it—like I did—in part-time, parallel to work, family, and the countless other things that constitute life.

Crossing bridges

The New York City Marathon is known for its millions of exuberant spectators, and 2011 was no exception. In many places, spectators lined the streets in large numbers yelling "looking good!" and "almost there!"—regardless of the distance to the finish line. Less well-known are the quiet stretches along the route with very few spectators. The bridges connecting the New York boroughs are especially infamous. These artificial 'hills' can suck the life out of you. My PhD had several 'bridge' moments, periods of desperation when I made little progress and my research seemed to be 'walking in circles', and moments when finding a healthy balance between study, work, and family seemed utterly hopeless.

---

1   Murakami, H. (2009). *What I talk about when I talk about running*. London: Vintage Books

Meeting inspiring people

Running a marathon is like a series of super-short speed-dates with fellow-runners and people along the route. Likewise, I have met many interesting people during my PhD research, too many to mention actually. At the peril of omitting people, I do want to name a few individuals who inspired me by their commitment to improve the quality of living in vulnerable neighbourhoods.

I want to express my gratitude to housing association De Huismeesters in Groningen, especially to Stein van Berkel, Peter Hillenga and Henk Zaagman. I want to thank the Groningen municipality officers Kees van der Helm, Chris Niemeijer and Liesbeth van de Wetering; community representatives in De Hoogte Evert Bosscher and Alex Spanjer and community support officers Hennie van Beek and Carina de Witte. I also want to thank the programme managers involved in developing and implementing the regeneration plans for De Hoogte: Ron Jeukens and Henk Boldewijn, and former Groningen local authority officers René de Jong and Gerard Tollner.

In Birmingham my appreciation goes to housing association Midland Heart, and especially to Jo Burrill, Mary Jane Gunn, Martin Hall, Baggi Mattu, Tom Murtha, Ashok Patel and Gail Walters; to the Birmingham City Council officers Deborah Burke, Mark English, and the Lozells neighbourhood managers Kate Foley and Gillian Loyd. A special word of thanks to the following members of the Lozells community: Saaed Saidul Haque, Sister Helen Ryan and Birmingham City Councillor Waseem Zaffar.

Receiving support

Writing this thesis was not just 'a marathon' for me; very probably, it was also a rather long-winded endeavour for my daily PhD supervisor Marja Elsinga and supervisors Peter Boelhouwer and David Mullins. I want to thank them for their support, for sharing their knowledge and insights, for their inspiring and critical remarks, and last but not least, for their patience. Shortly after starting my PhD, Marja Elsinga gave me the opportunity to start as a housing researcher at TU Delft. This combined the best of two worlds for me: the relevance of working in the social housing sector, and the reflection provided by my work as a housing researcher. Thank you Marja!

A special word of thanks to my lovely wife and lifelong partner (Neeltje) who supported my quest to complete this PhD with unwavering confidence that I could—and would— finish the job. She is now looking forward to the oceans of time her husband will have (probably not), and is grateful for providing her with an ironclad reason to buy a new outfit for the PhD defence ceremony. My thoughts also go to my son Gideon (17) and my daughter Emma (15); they have known their father longer with than without 'his PhD'. I also want to thank my mother-in-law, Lidi Reijnders, who meticulously

proofread my Dutch language summary and checked if all the jargon words I used actually appeared in the Van Dale dictionary—luckily, most of them did.

While doing my PhD, I also found support in the example of others: individuals that made a difference by supporting vulnerable people and places. I have honoured some of these inspiring individuals -my 'housing heroes'- by including one of their quotes on the pages that separate the different parts of this thesis.

Crossing fault lines

Bridges, real or metaphorical, are not only difficult to conquer in marathons and PhDs; they are also formidable obstacles between organisations and people. Sometimes even the 'bridges' are missing. My 25 years in social housing—as a practitioner, consultant, researcher, lecturer, supervisory board member, and performance auditor—have strengthened my conviction that housing associations can contribute to the quality of life in vulnerable neighbourhoods. They can do so by helping cross the fault lines between organisations and local communities. Housing associations can make the difference—if they want to. I hope that this thesis will make a modest contribution towards achieving that aim.

Metaphors only go so far, and this is where the parallel between marathons and PhDs ends: I will certainly not do another PhD, but another marathon? Maybe.

Gerard van Bortel
January 2016

Contents

PART 3   Conclusions and Reflections

8   Will the Participation Society succeed? Lessons from neighbourhood regeneration programmes in England and the Netherlands   191

PART 4   Appendixes

PART 1 INTRODUCTION

HOUSING HERO 1:

Is this policy, or is it logically considered?

Jan Schaefer (1940-1994), Dutch Labour (PvdA) politician.

1 Introduction

§ 1.1 Background

Neighbourhood regeneration partners

The inspiration and motivation for this doctoral study can be found in the growing complexity in decision-making in housing and neighbourhood regeneration. Working for one of the housing associations in the city of Groningen between 1997 and 2004, I became accustomed to the robust collaborative relations between the Groningen local authority and local social landlords. In 2006, I was asked, no longer working for a housing association but as an external strategy consultant, to help solve stalled negotiations on a new housing and neighbourhood regeneration covenant. I was utterly amazed. How could decision-making have become so problematic and deadlocked among parties that had been collaborating for years? What could have been the role of housing associations in the development of this situation?

This chapter starts by introducing the decision-making deadlock that fuelled my motivation to start this PhD. The chapter continues with the introduction of two key concepts that played a central role in this study: first, the role and position of housing associations in neighbourhood regeneration, and second, the complex decision-making processes between interdependent actors. These concepts are introduced briefly in the following sections and further developed in subsequent chapters.

Integrated neighbourhood regeneration

The Groningen[1] local authority and the local housing associations have been closely collaborating in neighbourhood regeneration since the mid-1990s. These actors have shared a strong commitment to improving the quality of life in the city, especially in vulnerable neighbourhoods. Around 2005, the nature of the collaboration changed. The introduction of new challenges, that neighbourhood regeneration was expected

---

1   Groningen is a university town of 200 000 residents in the North of the Netherlands.

to address, markedly increased decision-making complexity. The renewal of deprived areas no longer predominantly focussed on 'bricks and mortar', on creating a better and more mixed housing stock, but also on improving the lives of residents and the social cohesion of local communities. Housing associations were expected to contribute (in kind and financially) to social and economic initiatives to improve the quality of life in deprived neighbourhoods.

Two interrelated developments led to this broader focus on neighbourhood regeneration and the more active involvement of housing associations: first, reports of growing social tensions in deprived neighbourhoods, and, second, the growing indignation among the public and policy makers that Dutch housing associations did not make full use of their organisational and investment capacities to improve the quality of life in vulnerable areas. These developments came together in the influential 2005 *Trust in the Neighbourhood* report by the Dutch Scientific Council for Government Policy (WRR, 2005). That report included a direct call to housing associations to focus more on social investment in communities:

The current lack of commitment of many housing associations to fulfil their social obligations is too large. In the 'social recapture' of neighbourhoods, they must act as prime contractor, with social care providers as subcontractors (WRR, 2005, p. 13).

Decision-making deadlock

The *Trust in the Neighbourhood* report acted as a transformative catalyst that led to a broader and more active role of the Groningen housing associations in neighbourhood regeneration. Notwithstanding this commitment and the well-developed collaborative relationship between housing associations and the Groningen local authority, it proved particularly difficult in 2006 to renew agreements on physical and social investments in neighbourhoods. Decision-making reached a stalemate, and the actors did not see a clear way out of the impasse due to the sheer complexity of the issues and number of actors that were part of the decision-making process.

The deadlock was so severe, that the leadership of the Groningen local authority and housing associations decided to retreat to the idyllic but remote country estate Ekenstein near Appingedam[2] in the autumn of 2006 for a two-day conference.

---

2   The Ekensteijn conference is elaborated in chapter 6 Network Governance in Action: the case of Groningen

Participants, including me, pledged not to leave the Ekenstein estate before the main issues were resolved. After two days of intense discussions, the main issues were resolved and the groundwork for a New Local Covenant ('Nieuw Lokaal Akkoord') was established, specifying housing and neighbourhood renewal objectives and investments for the coming years (Groningen Local Authority, 2007).

Around the same time, a research commission for Delft University of Technology on neighbourhood regeneration networks in The Hague introduced me to network governance approaches [see chapter 5] and made it clear to me that our understanding of complex decision-making processes is still limited, especially with regard to the role played by non-state actors such as housing associations.

This issue is not limited to the Netherlands; England also has a large social housing sector with third-sector housing associations involved in delivering housing and improving the quality of life in challenged neighbourhoods. English housing associations work in a markedly different context, prompting the question: to what extent, and why, the role played by English housing associations in neighbourhood regeneration decision-making differs from that of their Dutch counterparts? Could comparing and contrasting developments in both countries generate new insights, improve the role of housing associations in neighbourhood regeneration decision-making, and ensure that vulnerable neighbourhoods get the support they need? The outline of a PhD-study was born.

This research is analytical, exploratory, and —in some domains—normative in nature. This normative stance flows from my years working in housing and regeneration, which strengthened my conviction that housing associations have a role to play in neighbourhoods, and that this role should pay careful attention to the needs, capabilities, and wishes of local communities. Hence, this research pays attention to the democratic anchorage of decision-making, the inclusion of residents and local community organisations in decision-making, and the accountability of housing associations and other network actors to the outcomes delivered.

An academic journey marked by complexity, crises, networks, and fault lines

At the beginning of my 'academic journey' in 2005, I could not have foreseen how much the nature of neighbourhood regeneration, and the role of housing associations, would change in the years to come. The global financial crisis, a severe housing market downturn, and a conservative twist in Dutch and English government policies, profoundly changed the working environment of housing associations. This turbulence made my scholarly journey an unforgettable experience, but it also demonstrated how strongly contextual developments can affect decision-making. This research highlighted the strong network relationships between housing associations and local authorities, but also revealed the often troublesome interactions between housing associations and residents. The title of this thesis: "Networks and Fault lines" is intended to reflect this.

Research objective, framework and questions

Research objective

This study aims to increase our understanding of the role of housing associations in neighbourhood regeneration governance networks in the Netherlands and England, to explore how that role is influenced by the respective societal contexts, and formulate recommendations to improve their involvement in vulnerable neighbourhoods.

Conceptual framework

To achieve the research objective, a conceptual framework has been constructed [see Figure 1.1]. The governance network perspective, elaborated in chapter 2, underpins this framework. This perspective acknowledges that actors are increasingly interdependent in solving problems, but accommodates for the existence of a wide variety of coordination mechanisms: market, state, network, and hybrid forms of coordination. This conceptuel framework has five components, each one elaborated within a research question:

— the **contextual** issues that influence policy problems and processes;
— the **actors** and their various perspectives on the problems to be solved and the objectives to be achieved;
— the **policy processes** including the decision-making arenas, actions and interactions of actors over time, the deadlocks and breakthroughs, and the substantive outcomes that follow from these interactions;
— the **network** of relationships between actors arising from interdependencies and previous interactions;
— the **outcomes** of decision-making interactions produced by the neighbourhood regeneration network.
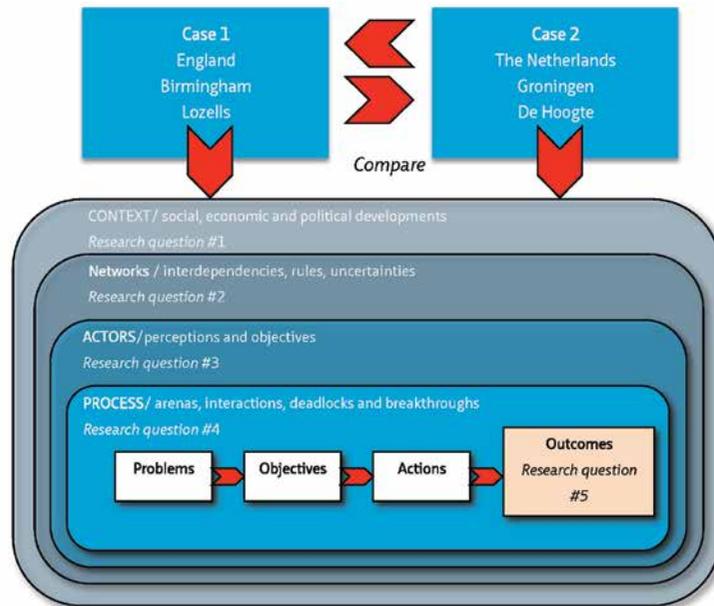
FIGURE 1.1 Conceptual framework

Research questions

Question 1: Context: How have contextual factors such as economic, social, and political developments affected the role of housing associations in neighbourhood regeneration decision-making processes?

Question 2 Networks: What are the characteristics (actors, dependencies, connections, and coordination mechanisms) of the neighbourhood regeneration networks that housing associations participate in?

Question 3 Actors: What are the perceptions and objectives of housing associations and other key actors concerning neighbourhood regeneration investments and activities?

Question 4 Process: How do decision-making interactions involving housing associations develop in neighbourhood regeneration networks? Which interaction strategies do housing associations use, and how do other actors view and respond to these strategies?

Question 5 Outcomes: How has the network, and the role of housing associations in particular, contributed to neighbourhood regeneration decision-making outcomes?

§ 1.3 Research methodology

§ 1.3.1 Introduction

Chapter 2 presents the two key theoretical components underpinning this study: 1) housing associations as hybrid organisations and their role in neighbourhood regeneration, and 2) network governance as an analytical framework. This section will elaborate the methodological implications of the chosen theoretical network governance perspective by discussing the following topics:

1 Research strategy
2 Research methods
3 Research quality
4 Case study and case selection

§ 1.3.2 Research strategy

In order to answer the research questions, a qualitative, comparative, longitudinal exploration based on case studies was conducted. The following section will discuss the various components of the research strategy.

Qualitative

Understanding the role of housing associations in a complex context—such as neighbourhood regeneration—demands in-depth insights into actor-based perspectives. Only rich qualitative data can provide these insights. This study explored the interactions between actors involved in neighbourhood regeneration decision-making. In decision-making there is no such a thing as an objective truth independent from the perspectives of individual people (Guba & Lincoln, 1994; Johnson & Duberley, 2000). This research therefore adopts Teisman's (1998) premises that actors construct their surroundings in interaction with others, and base their actions on these constructs. Through these strategic interactions, actors create arenas and decision-making processes as the unintended results. This research recognizes the socially constructed nature of knowledge and institutions, and does so based on the premise of a shared empirical reality. Consequently, within the academic debate between proponents of 'strong' and 'weak' forms of social constructionism in housing

research, this study clearly aligns with the latter (Somerville & Bengtsson, 2002, Clapham, 1997, 2009; Jacobs & Manzi, 2000; Jacobs, Kemeny, & Manzi, 2004; Lawson, 2006).

Comparative

In housing studies, there is a long tradition of cross-national analysis that is predominantly universalistic in nature and is focused on the macro level of national housing policies. Comparative case study investigations below the national level are rare (Steinführer, 2005). Housing associations adapt to, and are influenced by, their respective contexts. Therefore, two carefully selected cases in very divergent contexts will be compared. In comparative research, a spectrum between two approaches can be identified: universalistic and particularistic research (Haffner, Hoekstra, Oxley & Van der Heijden, 2010). The universalistic approach assumes that similar concepts apply in all locations. The particularistic approach (also see Hantrais's (2009) culturalistic approach) emphasises that phenomena being explored are bound to specific cultures and acquire their meaning in a specific institutional and historical context. This study takes a middle-way approach, based on the premise that there is much to be gained from microscale studies focusing on specific actors and neighbourhoods, and the belief that much can be learned about any given 'whole' by studying a single part and putting the part into context (Oxley, 2001, p. 103).

Longitudinal

The qualitative, comparative exploration sets out to examine social phenomena in their real-life contexts and should therefore not be restricted to a snapshot taken at a single point in time. A longitudinal view is especially relevant to studying neighbourhood regeneration decision-making because these processes can take many years and involve several iterations that may change the outcomes of previous decision-making rounds. In housing studies, longitudinal qualitative research studies that seek to document, record, and understand the temporal process of change over time are still rare. Although there is an established tradition of tracing change through quantitative methods, qualitative studies have tended to approach these questions retrospectively. What distinguishes longitudinal qualitative research is the deliberate way in which temporality is designed into the research process, making change a central focus of analytic attention (Thomson, Plumridge, & Holland, 2003). This longitudinal element is essential for this research because changes in goals and actor perspectives and opinions are very hard to reconstruct in retrospect. The timing of the study made the research period particularly valuable. The amount of system change was an unanticipated bonus.

Case Study and case selection

My experience as a housing practitioner and researcher made me keenly aware of the urgency to acquire a better understanding of how housing associations operate in regeneration networks. It also convinced me that the only feasible avenue to increase our understanding was to study decision-making interactions as 'up close and personal' as possible. This had an important impact on my decision to use a longitudinal case study strategy.

Case studies are the most appropriate approach to capture and analyse decision-making in all its richness and depth. According to Swanborn (2010), a case study approach is the most suitable strategy if one wants to intensively study social phenomena, explore events, and follow developments over time. Collective decision-making is explicitly mentioned by Swanborn as a subject often investigated using case studies. By using case studies, the researcher has multiple primary and secondary sources of evidence, and can add data through direct observation and interviewing (Yin, 1984).

To ensure that comparable cases were explored, a similar kind of policy output was selected: a neighbourhood regeneration plans as starting points for the study. In order to longitudinally monitor developments, decision-making had to be happening at an early stage. In addition, the access to documents, events, and informants involved in decision-making was an important selection criterion. Based on these criteria, the neighbourhoods of Lozells in North/West Birmingham (England) and De Hoogte in Groningen (the Netherlands) have been selected as case studies areas. At the start of the fieldwork for this research, in 2007, housing associations were closely involved in developing regeneration plans to improve the quality of life in these areas: a Master Plan for Lozells and a Neighbourhood Action Plan ('Wijkactieplan') for De Hoogte.

Table 1.1 below provides a summary of case study characteristics, highlighting similarities and differences. The national level items in this table are discussed in chapter 2.

NATIONAL LEVEL	ENGLAND	THE NETHERLANDS
Political Economy *Hal and Soskice (2001)*	Liberal market economy (LME)	Coordinated market economy (CME)
Welfare state regime *Esping-Andersen (1990); Hoekstra, (2003)*	Liberal	(Modern) corporatist
Rental market *Kemeny (1995, 2006)*	Dualist legacy	Unitary legacy
Municipal level	Birmingham	Groningen
City	Birmingham (1.2 million inhabitants)	Groningen (200 000 inhabitants)
Neighbourhood level	Lozells	De Hoogte
Focal actor	Housing association Midland Heart (32 000 units)	Housing association De Huismeesters (7 000 units)
Role focal actor	Midland Heart led partnership to develop Masterplan	De Huismeesters participated in partnership to develop Neighbourhood Action Plan
Position of focal actor	Largest housing association in the area (market share around 30%)	Largest housing association in the area (market share around 80%)
Trigger of decision-making	Development of Masterplan North-Lozells	Development of Neighbourhood Action Plan
Number of residents	Lozells (4 000 households)	De Hoogte (2 000 households)
Status neighbourhood	Priority area within Urban Living, Housing Market Renewal Pathfinder	Priority area within Empowered Neighbourhoods Programme
Issues	Both neighbourhoods encounter problems with out-of-date housing stock, high levels of crime, unemployment, anti-social behaviour, and a concentration of vulnerable households.	
Differences	Focus on housing deconversions, transforming multiple occupation rental homes into family properties for home ownership	Focus on housing refurbishment and new housing construction
	Very high ethnic minority population (95%)	Moderately high ethnic minority population (20%)

TABLE 1.1 Summary of case study differences and similarities
Sources: National level: summary of various sources in this chapter. Municipal and Neighbourhood level: Neighbourhood Action Plan De Hoogte, Lozells Masterplan, Annual reports of housing associations.

FIGURE 1.2 Homes waiting for refurbishment in Lozells, Birmingham. *Source: author*

FIGURE 1.3 Refurbished homes in De Hoogte, Groningen. *Source: author*

§ 1.3.3   **Research quality**

This research used several criteria to ensure adequate research quality. These criteria—veracity, objectivity and perspicacity—are derived from ethnographic research. Table 1.2 briefly summarises these criteria. Following Stewart (1998), strategies have been developed and applied for each of these research quality criteria. The methodological reflection in the concluding chapter [§ 9.7.3], and Appendix E discuss the actions taken to assure maximum compliance with these research quality criteria.

RESEARCH QUALITY CRITERIA	EXPLANATION
Veracity	Veracity focuses on the question whether we have observed in empirical reality what our descriptions claim we have.
Objectivity	Objectivity entails the mitigation of bias, and the specification of research circumstances that could influence bias.
Perspicacity	Perspicacity aspires to produce applicable insights, yielding research results that can be applied in more contexts than only that of the fieldwork.

TABLE 1.2 Research quality criteria

§ 1.3.4 Research methods

In addition to written reports, personal accounts by individuals have been an important data source for this study. In the Groningen and Birmingham case studies, 70 interviews with 45 different actors were conducted between 2007 and 2014[3]. The average interview took around one hour. This amounted to approximately 60 hours of transcribed interviews[4]. The research started with a scoping phase to identify relevant actors. Key informants working for housing associations formed the starting point of the exploration. These individuals were identified through contacts in the author's network for the Dutch case and, for the English case, through research partners at the University of Birmingham. 'Snow-balling' techniques were used to identify additional interviewees. Key informants were interviewed several times during the fieldwork period to capture newly unfolding developments [see Table 1.3 and Appendix C]. They were interviewed multiple times to keep the distance between events and the interviews as short as possible. Most interviews were recorded, transcribed, and analysed using Atlas TI. All transcribed interviews are traceable, while allowing for anonymity of the informants. Individual, loosely structured interviews with individual actors were complemented by some group interviews, (participant) observation of public meetings, and desk research.

---

3 This does not include the 25 interviews, non-transcribed interviews, conducted for the case study in The Hague (Chapter 5).

4 Some interviews were not transcribed because of technical problems with the audio recordings. Authors' notes were used to summarize and analyze these interviews.

	LOZELLS BIRMINGHAM		DE HOOGTE GRONINGEN		TOTAL	
Actors	# Interviews	# Different persons	# Interviews	# Different persons	# Interviews	# Different persons
Housing association	17	9	14	7	31	16
Local Authority	6	4	13	9	19	13
Residents, Neighbourhood organisations and Resident supporters	4	3	8	6	12	9
Others (researchers, advisors)	6	5	2	2	8	7
Total	33	21	37	24	70	45
Observed and participated events & meetings	6		4		10	

TABLE 1.3 Number of interviews and number of different actors interviewed in Birmingham and Groningen

A full overview of interviewees from the Birmingham and Groningen case studies can be found in the appendixes. An overview of interviews that informed Chapter 5 on the neighbourhood renewal network in The Hague can be found in the original report (Van Bortel & Elsinga, 2005).

§ 1.4 Contribution to science and society

§ 1.4.1 Scientific relevance

Previous studies have often focused on the role of governmental actors and their options for maintaining control over decision-making processes in a complex environment (De Bruijn & Ten Heuvelhof 1991; Koffijberg, 2005). We still have only a limited understanding of the role played by third sector actors such as social landlords (but see Kendall & Knapp, 2000). Policy outcomes cannot be understood in full when perceptions and actions of other actors are not explicitly taken into consideration. Therefore, this study will contribute to the body of knowledge on the role of housing associations in neighbourhood renewal decision-making.

Analysing neighbourhood regeneration decision-making from an actor-based perspective offers a generous supply of cooperative efforts, negotiations, and insights into the allocation of power in decision-making and the role of systems of governance.

However, these studies still have a modest position in housing research (Bengtsson, 2009). In particular, research into the role of housing associations in neighbourhood regeneration governance is still scarce (but see Van Bortel & Elsinga, 2007 and Haffner & Elsinga, 2009). This is certainly the case for longitudinal comparative research. This research intends to contribute to the field of housing studies by applying and refining network governance theories and methodologies.

Research on policy processes in housing and neighbourhood renewal is often undertaken by retrospectively reconstructing the interactions and perspectives of the actors involved. The results are thus often affected by hindsight. This research has longitudinally explored emerging decision-making events during a period of eight years (between 2007 and 2014).

§ 1.4.2 **Societal relevance**

This research is based on my conviction, based on almost 25 years of experience in the social housing sector, that social landlords can play an important role in improving the quality of life in neighbourhoods, and in the regeneration of deprived areas. An increased understanding of the role played by these actors in neighbourhood renewal can enhance the performance and outcomes of governance networks by improving the effectiveness and quality of decision-making processes. Therefore, it is important to gain scientifically sound insights into the way decision-making in neighbourhood renewal develops, and into how networks of state, market, third sector, and community actors develop and deliver results efficiently and effectively in a way that is transparent, inclusive, and democratic.

§ 1.5 **Reading guide**

§ 1.5.1 **Structure of this thesis**

This thesis is divided into four parts [see Figure 1.4 below]. Part One introduces the key components needed to understand the role of housing associations in neighbourhood regeneration governance [Chapter 2], and presents different critical perspectives on

network approaches in neighbourhood regeneration, community, involvement and integration [Chapter 3]. The thesis continues in Part Two with several case studies presenting empirical findings that contribute to achieving the research objective and to answering the research questions [Chapters 4 – 7]. The theoretical sections in these case studies chapters further elaborate the analytical framework outlined in Part I. Part Three of the thesis is more reflective in nature. The chapters in this part discuss several patterns that emerged in this investigation. Chapter 8 returns to the sociological base underpinning the governance network approach and explores how lifeworld and system actors are involved in the co-production of solutions for societal problems. The third part ends with summarizing the answers to the research questions [Chapter 9]. The thesis concludes with Appendices, in Part Four, that contain lists of tables and figures, overviews of actors and interviewees, actions taken to ensure research quality, a topics lists for the interviews, and updated data on liveability.

A more elaborate introduction to the various chapters, and their connection to the conceptual framework, can be found in the following paragraph [§ 1.5.2].
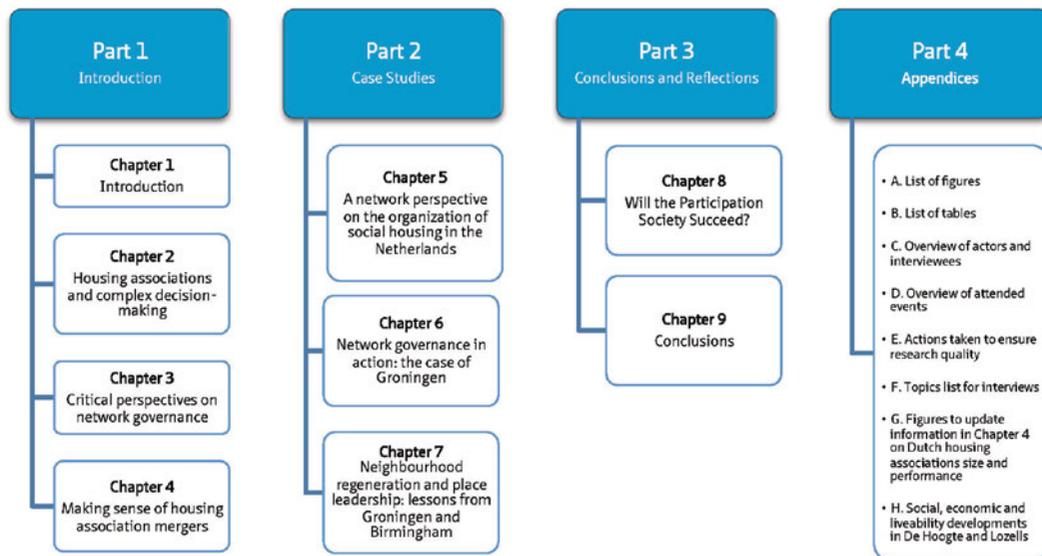
FIGURE 1.4 Thesis structure

Introduction to the chapters

General

This thesis is the result of a rather organic explorative process, and that is visible in the structure of this thesis. It consists of five published and one submitted article, an introductory, and a concluding chapter. The chapters are ordered in such a way as to build a logical narrative. Table 1.4 aims to draw all the chapters together into a cohesive set of texts. For each chapter the key contribution to the thesis is elaborated.

CHAPTERS	Key contribution of the chapter to the thesis	Context	Networks	Actors	Processes	Outcomes
1 & 2	Introduces key concepts and components of the conceptual framework needed to understand the role of housing associations in neighbourhood regeneration decision-making.	++	++	++	++	++
3	Critically reflects on network governance perspectives, especially the incompatibility or complementarity of network governance approaches and democracy. Discusses the role of the state (steering in the shadow of hierarchy) and locally elected politicians in decision-making.		++		++	
4	Highlights the organizational diversity of housing associations. Demonstrates the impact of internal and external drivers on the behaviour of housing associations. Explores the far from straightforward relationship between size of housing associations and their performance.			++		++
5	Explores the explanatory potential of the governance network perspective: what insights does the network governance perspective generate when applied to the Dutch social housing sector in general and the neighbourhood regeneration network in the Hague in specific?		++		++	
6	Increases our understanding of the complexities and uncertainties in neighbourhood regeneration in Groningen by applying a network governance framework on decision-making processes between 1995 and 2007. Includes a more in-depth analysis of policy games in 2005 to 2007 concerning decision-making on the integration of physical and social/economic regeneration initiatives.			++	++	

>>>

CHAPTERS	Key contribution of the chapter to the thesis	Context	Networks	Actors	Processes	Outcomes
7	Explores and compares the added value of network governance and place leadership paradigms to increase our understanding of decision-making processes in neighbourhood regeneration and the potential to provide better outcomes for vulnerable neighbourhoods.		++	++		
8	Combines a network governance perspective with a system/lifeworld paradigm in order to increase our understanding of the collaboration between regeneration professionals and local communities in a context of government retrenchment	++		++		
9	Synthesises research findings for each of the components of the theoretical framework. Highlights the theoretical, methodological, and societal relevance of the research, and formulates conditions for which research findings are 'portable' to other contexts.	++	++	++	++	++

TABLE 1.4 Connection between thesis chapters and conceptual framework elements (Figure 2)
++ = Strongest connection
Note: Chapter 3 focuses on the outcomes of mergers in the social housing sector, not the outcomes of governance networks.

While the focus of this thesis is on the Groningen and Birmingham case study areas, the thesis also contains a chapter on neighbourhood regeneration governance in The Hague [Chapter 5]. The case study research underpinning that chapter was my first introduction to network governance approaches as an analytical perspective to increase our understanding of neighbourhood regeneration decision-making. That led to a taste for more. At the same time, there was some unease about the use of governance networks as a normative descriptive model of how complex decision-making processes should evolve and should be managed. My discomfort was shared by several fellow researchers and led, among other publications, to a special issue of the *Journal of Housing and the Built Environment*, with critical perspectives on network governance in urban regeneration, community involvement, and integration. Chapter 3 presents a critical review and analysis of the articles in that special issue. Because housing associations are the focal actors in this research. In chapter 4, the connection between the organisational characteristics (i.e. scale and merger activities) and the performance of housing associations is explored. No clear relation was found. However, we did find indications that internal and external drivers, organisational cultures, and 'economies of scope' can have a significant impact on organisational behaviour and performance. We use these results to formulate some 'portability' conditions [in chapter 9] for our research findings to contexts beyond the investigated cases.

Chapters 6 and 7 present case study data from Groningen and Birmingham and have a strong focus on understanding the interactions in local neighbourhood regeneration governance networks. .

Chapter 8 connects my research with Big Society/Participation Society policy paradigms that emerged during my fieldwork periode. At the start of my study in 2007, both concepts were still unknown. They emerged from political discourse, the economic crisis, government austerity measures, and changed perspectives on the role of the state and the public sector. These agendas emphasise the need to more closely involve citizens in co-producing welfare services that previously were seen as directly delivered by the state, including improving the quality of life in vulnerable neighbourhoods.

During my fieldwork, actors mentioned the difficulties they encountered in the interactions between organisations—such as housing associations—and local residents. These tensions appeared to be related to fundamental differences in language, logics, and values between actors. I found that the network governance approach did not offer me adequate insight. Habermas's concept of lifeworld and system (Habermas, 1987) offered me a theoretical framework that provided additional insights in the interactions between system agencies and the lifeworld of local communities [also see § 2.3.5].

Part I   Introduction

Together with this first chapter, chapter 2 lays the groundwork for this thesis. Chapter 2 introduces the key theoretical components of this study. Chapter 3 presents critical reflections on recent governance network studies and contributes to the theoretical framework. Chapter 4 explores recent organisational developments of housing associations —the focal actors of this research.

Chapter 3   *Critical perspectives on network governance in urban regeneration, community, involvement and integration.*
Journal Housing and the Built Environment, 2009, 24, 203–219. Special issue review article.
Co-author: David Mullins

Chapter 3 provides a critical review of publications on the merit of network governance in urban regeneration, with a special focus on the democratic anchorage of governance networks. The article is part of a special issue on 'second generation' network governance research in housing and urban studies. This chapter tackles key questions relating to the sources of governance network failure and success, and explores these questions in the context of urban regeneration, community involvement, and the integration of minority groups in the Netherlands, Sweden, and England.

Chapter 4   *'Change for the Better?' — making sense of housing association mergers in the*
             Netherlands and England.

             Journal of Housing and the Built Environment, 2010, 25, 353–374.

             Co-authors: David Mullins and Vincent Gruis
             ....

             Chapter 4 explores the characteristics and behaviour of housing associations in the
             UK and the Netherlands —the focal actors of this thesis. The chapter particularly
             investigates the increasing scale of social landlords through the process of mergers
             and connects this development to the wider political and business environment, to
             managerial motives, to strategic choices, and to the process and the outcomes of
             mergers in relation to competing definitions of goals and success criteria.

Part II   Case Studies
           ....

           Chapters 5, 6, and 7 provide case study findings on the role of housing associations in
           neighbourhood renewal. Each chapter includes a theoretical paragraph related to the
           overarching network governance framework.

Chapter 5   *A network perspective on the organisation of social housing in the Netherlands:*
             the case of urban renewal in The Hague.

             Housing, Theory and Society, 2007, (24)1, 32-48.

             Co-author: Marja Elsinga
             ....

             Chapter 5 describes the transformation of Dutch housing associations from strictly
             regulated and heavily subsidized organisations in the early 1990s into financially and
             administratively independent enterprises. From a governance network perspective
             this chapter presents research findings on two levels. On a national level, the chapter
             addresses the role of the government in regulating social housing and influencing
             the performance of housing associations. On a local level, this chapter examines the
             steering instruments available to the government and explores their efficacy in a case
             study in The Hague.

Chapter 6   *Network governance in action:*
             the case of Groningen complex decision-making in urban regeneration.

             Journal of Housing and the Built Environment, 2009, (24)2, 167-183.
             ....

             Chapter 6 uses the network governance approach as an analytical framework to
             present case study findings on urban regeneration decision-making in Groningen. The
             chapter describes the complexity of urban regeneration decision-making in an already
             well-established governance network and identifies strategies used by local actors to
             successfully deal with complexities and uncertainties in networks.

Chapter 7　　*Neighbourhood regeneration and place leadership:*
　　　　　　　lessons from Groningen and Birmingham.

．．．

Chapter 7 explores the concept of 'place leadership', a new and relatively under-theorised concept in England, and a concept not explicitly formulated in the Netherlands. In this chapter, we relate the concept of place leadership to partnerships and network governance in neighbourhood regeneration and social housing. The chapter identifies a set of themes that are then used to explore research evidence on neighbourhood regeneration and the role played by housing associations in two cities: Groningen in the north of the Netherlands and Birmingham in the English Midlands.

Part III　　**Conclusions and Reflections**

．．．

Chapters 8 and 9 conclude this thesis, and supplement the previous chapters—published between 2007 and 2010—with updated material over the 2010-2014 period.

Chapter 8　　*Will the Participation Society Succeed?*
　　　　　　　Lessons from Neighbourhood Regeneration Programs in England and the Netherlands
　　　　　　　(Submitted to the Voluntas International Journal of Voluntary and Nonprofit Organizations)

．．．

Compared to previous chapters in this thesis, the role of housing associations is less prominent in Chapter 8. This chapter is inspired by the changing political context during the 2007-2014 fieldwork period for this research. Departing from a top-down, government-led approach to neighbourhood regeneration and welfare services provision, English and Dutch governments introduced agendas—Big Society and Participation Society—that emphasized more localised approaches and a more important role for citizens. This chapter explores how data from the neighbourhood regeneration case studies—including the role of housing associations—can tell us more about the challenges of implementing the Participation Society agenda. A theoretical framework that connects Governance Network Theory with Habermas's system and lifeworld concept guides this exploration. The chapter concludes with theoretical implication to strengthen governance network approaches.

The thesis ends with a concluding chapter [Chapter 9] that synthesizes the answers to the research questions, reflects on the scientific and social relevance of this study, and presents directions for future research.

References

Bengtsson, B. (2009). Political science as the missing link in housing studies. *Housing Theory and Society*, *26*(1), 10-25.

Clapham, D. (1997). The social construction of housing management research. *Urban Studies*, *34*(5-6), 761-774.

Clapham, D. (2009). *Social constructionism and beyond in housing research*. Paper presented at the ISA Housing Conference. Glasgow September 2009.

De Bruijn, J.A., & Ten Heuvelhof, E.F. (1991). *Sturingsinstrumenten voor de overheid; over complexe netwerken en een tweede generatie sturingsinstrumenten* [Steering instruments for the state, on complex networks and second generation steering instruments]. Leiden: Stenfert Kroeze.

Groningen Local Authority. (2007). *Nieuw Lokaal Akkoord* [New Local Covenant]. Groningen: Groningen Local Authority.

Guba, E.G., & Lincoln, Y. S. (1994). Competing paradigms in qualitative research. In N.K. Denzin & Y.S. Lincoln (Eds.), *Handbook of qualitative research*, (pp. 105-117). Thousand Oaks, CA: Sage.

Habermas, J. (1987). *The theory of communicative action, Vol. 2,* Cambridge: Polity Press.

Haffner, M., & Elsinga, M. (2009). Deadlocks and breakthroughs in urban renewal: a network analysis in Amsterdam. *Journal of Housing and the Built Environment*, *24*(2), 147-165.

Haffner, M., Hoekstra, J., Oxley, M., & Van Der Heijden, H. (2010). Universalistic, particularistic and middle way approaches to comparing the private rental sector. *International Journal of Housing Policy, 10*(4), 357-377.

Hantrais, L. (2009). *International comparative research; theory, methods and practices.* Basingstoke: Palgrave Macmillan.

Jacobs, K.,& Manzi, T. (2000). Evaluating the social constructionist paradigm in housing research. *Housing, Theory and Society*, *17*(1), 35-42.

Jacobs, K., Kemeny, J. & Manzi, T. *(2004). Social constructionism in housing research*. Aldershot: Ashgate.

Johnson, P., & Duberley, J. (2000). *Understanding management research.* London: Sage.

Kendall, J., & Knapp, M. (2000). *The third sector and welfare state modernisation: Inputs, activities and comparative performance.* Civil Society Working Paper 14.

Koffijberg, J. (2005). *Getijden van beleid: omslagpunt in volkshuisvesting. Over de rol van hiërarchie en netwerken bij grote veranderingen*. [Tides of policy: turning points in public housing. On the role of hierarchy and networks in the management of change] Delft: Delft University Press.

Lawson, J. (2006). *Critical realism and housing research*. Oxon: Routledge.

Oxley, M. (2001). Meaning, science, context and confusion in comparative housing research. *Journal of Housing and the Built Environment, 16*, 89-106.

Somerville, P. & Bengtsson, B. (2002). Constructionism, realism and housing theory. Housing, Theory and Society 19(3–4), 121–136.

Steinführer, A. (2005). Comparative case studies in cross-national housing research (chapter 7) in Vestbro, D., Hürol, Y., and Wilkinson, N. *Methodologies in housing research*. Gateshead UK: The Urban International Press. 91-105.

Stewart, A. (1998). *The ethnographer's method*. Sage Publications: London.

Swanborn, P. (2010). *Case study research: Why, what and how?* Thousand Oaks CA: Sage.

Teisman, G.R. (1998). *Complexe besluitvorming, een pluricentrisch perspectief op besluitvorming over ruimtelijke investeringen* [Complex decision-making, a pluricentric perspective on decision-making in spatial investments]. The Hague: Elsevier.

Thomson, R., Plumridge, L., & Holland, J. (2003). Editorial, *International Journal of Social Research Methodology, 6*(3), 185-187.

Van Bortel, G., & Elsinga, M. (2005). Prestaties van woningcorporaties in de stedelijke vernieuwing, case study Den Haag [Performance of housing associations in urban renewal, case study The Hague]. Delft: OTB.

Van Bortel, G., & Elsinga, M. (2007). A network perspective on the organization of social housing in the Netherlands: the case of urban renewal in The Hague. *Housing Theory and Society, 24(*1), 32-48.

WRR (Scientific Council for Government Policy). (2005). Vertrouwen in de buurt [Trust in the Neighbourhood]. The Hague: WRR.

Yin, R. (1984). *Case study research: Design and methods*. Newbury Park: Sage Publications.

2 Key theoretical components: housing associations and complex decision-making

§ 2.1 Introduction

This chapter introduces the two key theoretical components underpinning this research. Each component consists of various sub-components [see Table 2.1].

COMPONENT 1	COMPONENT 2
Housing associations and their role in neighbourhood regeneration	**Understanding complex decision-making**
The divergent contexts of housing associations:	The rise of the network society
· Political economy	Transformation from hierarchies and markets to hybrid coordination
· Welfare state regime	Network governance as an analytical framework
· Rental market typology	Different types of networks
Housing associations as hybrid social enterprises	Different rules and logics in the system world of agencies and the lifeworld of residents
The role of housing associations in neighbourhood regeneration	Decision-making: garbage cans, policy streams, and arenas

TABLE 2.1 Key Theoretical components

§ 2.2 Key component 1: The role of housing associations in neighbourhood regeneration

To understand the role of housing associations in neighbourhood regeneration we first have to understand their position within their respective welfare and housing systems. This section therefore first provides an overview of the welfare regimes and

housing systems in England and the Netherlands [§ 2.2.1]. This section continues by elaborating the characteristics of housing associations in both countries and highlighting their hybridity, combining state, market, and civil society values [§ 2.2.2]. A discussion of the role of housing associations in neighbourhood regeneration concludes this section.

§ 2.2.1 **The divergent contexts of housing associations in England and the Netherlands**

Housing associations in England and the Netherlands have largely similar tasks and housing management processes. However, they operate in very dissimilar societies. These contextual factors influence the resources and regulatory frameworks of social landlords and can affect decision-making processes. Frequently, ideal-type categories are used to compare and contrast countries. This section presents some of these typologies, but uses them as 'can openers' to start the exploration, rather than definitive descriptors of differences and similarities.

To start our exploration we have used Kemp and Kofner's (2010) framework that made the distinction between three levels of interrelated regimes and systems: the political economy, welfare regimes, and rental market housing systems [see Table 2.2 below]. In this section, we will introduce these tegimes and systems.

REGIME TYPE	THE NETHERLANDS	ENGLAND	REFERENCES
Political economy	Co-ordinated market economy (CME)	Liberal market economy (LME)	Hall and Soskice (2001)
Welfare state regime	Modern-Corporatist	Liberal	Esping-Andersen (1990, 1999); Hoekstra (2010)
Rental market typology	Unitary	Dualist	Kemeny (2006)

TABLE 2.2 Regime types in political economy, welfare and housing
Based on table in Kemp and Kofner, 2010, p: 380

1 **Political economies**

In their influential work *Varieties of Capitalism (VoC),* Hall & Soskice (2001) distinguish between liberal market economies (LMEs) and coordinated market economies (CMEs). Economies in Britain and most other Anglo-Saxon countries are classified as 'liberal', while the Netherlands is categorized as 'coordinated'. Coordination in LMEs takes place

through market competition rather than being mediated by collaboration between market firms and government agencies (also see Williamson, 1975; Kemp & Kofner, 2010). CMEs depend on non-competitive networked and collaborative relationships to coordinate their endeavours. It does not suffice to focus only on the formal institutional characteristics to understand the dynamics and outcomes of political economies. Understanding of multi-player interactions between participants and the formal and informal rules guiding these interactions is also essential (Hall & Soskice, 2001).

2 Welfare state regimes

Political economies shape social policies that underpin welfare state regimes. Virtually all LMEs are accompanied by 'liberal' welfare states, whose emphasis is on means-tested and low levels of benefits (Esping-Andersen, 1990). Not only is there a strong entanglement between political economies and welfare state regimes, there are also strong but complex relations between welfare regimes and housing systems (Boelhouwer & Van der Heijden, 1992; Van der Heijden, 2002; Kemeny, 1992, 2006). Housing is often referred to as the "wobbly pillar" of the welfare state (Torgersen, 1987, pp. 116-118; Malpass, 2005), because it is simultaneously seen as an individual market commodity needing healthy competition as well as a public good demanding state involvement (Bengtsson, 2001; Van der Schaar, 1987; Helderman, 2007; Lundqvist, 1992; Harloe, 1995; Kleinman, 1996). Because of its status as an economic and a social good, housing provision has an ambiguous position between state and market.

According to Esping-Andersen, one of the crucial dimensions in which modern welfare states differ from each other is the way in which state activities are linked to the role of the market and the family in the provision of welfare services. The other dimensions are 'decommodification', the extent to which a welfare regime promotes an acceptable standard of living independent of the market value of individuals, and 'stratification', the differences between groups of citizens which are supported by the welfare regime (Esping-Andersen, 1990).

The complex relations between housing and government policies do not align very well with Esping-Andersen's welfare regime theory. Housing hardly features in his study 'The Three worlds of welfare capitalism' (1990). This starkly contrasts with the active role of many governments in the provision of housing (Boelhouwer, 2003b). Hoekstra (2003) further developed Esping-Andersen's welfare regimes typology and tailored it to better fit the characteristics of housing systems. He classified the United Kingdom as a liberal welfare state, characterised by a dominant position of market parties. The Netherlands was labelled a 'modern-corporatist' welfare regime combining social-democratic and corporatist traits, wherein market and state actors have a prominent position in the provision of welfare services.

In both liberal and modern-corporatist welfare regimes, services are mainly provided based on individual means-tested needs. These regimes differ markedly from each other with regard to the perceived need for welfare services. Welfare services are provided by a wide array of state and market actors, and the role of the family is relatively limited. Not all institutions neatly fit within one of the three sectors (market, state, family); in virtually every country, institutions exist that combine market, state, and family characteristics.

A distinct characteristic of modern-corporatist welfare regimes is the more indirect style of governance (Hoekstra, 2010), adopting policy frameworks that allow local authorities and non-state providers of welfare services, such as housing associations, to operate with a certain degree of freedom. In this style of governance, central government, local authorities, and private actors develop policy jointly. Modern-corporatism resembles concepts such as 'third way politics' (Giddens, 1998), 'competitive corporatism' (Rhodes, 2001) and 'network governance' (Koppenjan & Klijn, 2004). Hoekstra (2010, p. 166) placed 'modern corporatism' in the middle of an axis with liberalism, entailing few corporatist structures and little state interference, on one end. 'Labour-led corporatism' was positioned on the other end of the spectrum with much and direct state involvement.

Recent developments suggest that the characteristics of the social housing models in the Netherlands and England are converging. Since 2008, the role of the state in the English social housing sector is moving away from direct state involvement, and, using Hoekstra' terminology, transforming from labour-led corporatism towards a modern corporatist model with more moderate and indirect state involvement. This development is underpinned by the 2008 Housing and Regeneration Act and driven by the establishment of the Homes and Communities Agency as a new regulator that same year, as well as the coming into power of a Conservative-led national coalition government in 2010. The abolition of social landlord inspections by the government's Audit Commission illustrates this development. These inspections have been replaced by a more co-regulatory approach that makes social housing organisations accountable for developing, monitoring, and reporting on housing quality standards (Mullins, 2010).

In the Netherlands, the social housing model, characterized by moderate and indirect state involvement, has moved somewhat in the direction of Hoekstra's 'labour-led corporatism'. Following reports of fraud and mismanagement in the social housing sector, and an enquiry by Parliament, the Dutch government introduced a strongly revised Housing Act in 2015. This act restricts the mandate of housing associations and strengthens the regulatory powers of the national government, as well as the influence of local authorities and tenant organisations on the strategies and actions of housing associations. Self-regulation remains an important element of the Dutch social housing sector.

3 Rental housing systems

Housing systems are composed of many subsystems and interacting parts, such as housing providers, consumers, and regulators, which may display complex system behaviour (Bourne, 1981; Priemus, 1983). Housing systems are affected by, and interact with, their context (Boelhouwer & Van der Heijden, 1992). The distinctions among housing systems and political economies and welfare regimes is therefore more conceptual than empirical.

Within housing systems, Kemeny (1995) identified two distinct rental typologies: 'dualist' and 'unitary'. He classified the English rental housing system as dualist, and the Dutch system as unitary. Dualist systems combine two distinct rental housing segments: an overall profit oriented housing market, and a cost-rental sector that is restricted to low-income households. The cost-rental sector in unitary systems, by contrast, is not reserved solely for low-income households. Kemeny suggests that both typologies have very distinct coordination mechanisms. Unitary systems aim for competition between commercial and social rental housing tenures, while the government tries to balance economic and social principles to mitigate the possible negative effects of free market forces, without distorting competition (Kemeny, 1995; Kemeny, Kersloot, & Thalmann, 2005). The dualist model has two distinct coordination mechanisms: free market competition in the profit-sector, and a hierarchical command-and-control government involvement in the cost rental sector.

The contextual political economy and welfare regime characteristics of the English housing system indicate a strong focus on market relations with—in theory—an important role for competition. However, recent research found very limited competition between various segments of the English rental market (Lennartz, 2013; also see Elsinga, Haffner, & Van der Heijden, 2009). In contrast, the context of housing associations in the Netherlands has more corporatist characteristics with a strong role for networked and collaborative relationships. These differences are demonstrated, for example, in the allocation of housing development grants. In England, competition is used to allocate affordable housing development grants to a limited number of actors that deliver the highest value for money (Housing Corporation, 2007; Mullins, 2010; HCA 2011b, 2011a, 2014). Funding mechanisms are also used to enforce the government's influence on the activities of housing associations. In a 2004 'Investment Partnering' reform, the Housing Corporation concentrated development funding on around 70 housing associations (of the 1.500 or so registered social landlords) that complied best with government expectations (Mullins & Pawson, 2010).

In the Netherlands, subsidies for affordable housing (and neighbourhood regeneration) have rarely been allocated based on competition. In the mid-1990s, the net value of all outstanding subsidies were paid out to housing associations as part of a 'grossing and

balancing operation' (in Dutch the 'Brutering'), cancelling out all government loans against current subsidy obligations. This operation strengthened the financial and operational autonomy of housing associations but at the same time increased the need for more collaborative relationships between social landlords and local and national governments. Consequently, the national government largely lost its ability to steer housing associations through investment subsidies. Local governments also saw their influence on the activities of housing associations largely diminished (Boelhouwer, 2002; Priemus and Dieleman, 1997; Van der Schaar, 2006). From an international perspective, this created a unique system. Nowhere else do the government, tenants, and other stakeholders have so little direct influence on housing associations. Nowhere else is the social rented sector so financially independent from the government (Dutch Parliament, 2014).

This autonomy to allocate resources can be regarded as a fundamental contrast between the Dutch and the English housing regimes. In the Netherlands, the government does not have this level of control. However, findings in chapter 5 suggest that financial supervision by the government-related Central Housing Fund is one of the few instruments to have any—but still moderate—influence on the behaviour of Dutch housing associations. The strong role of the government as housing regulator over the past decades has been a distinctive feature of the English housing associations that aligns with Kemeny's dualist rental system typology. The role of the governement changed considerably when regulation became more focused and less well-resourced following the 2010 Comprehensive Spending Review.

Recent developments show a more nuanced picture, with stronger market mechanisms in the English social rental sector and more government regulation in the Netherlands (also see Czischke, 2014). The English social housing sector has become more market-oriented. Following the 2008 Housing and Regeneration Act, for-profit registered providers of social housing emerged. Private sector housing providers were already able to compete for social housing grants in a 2006 pilot set-up by the Housing Corporation (Mullins & Walker, 2009). The private sector is still a very small part of the affordable housing grant programme, and its involvement is dwindling. In 2014 private sector actors gave affordable rental housing development grants back to the government after investments in houses for sale became more profitable[5].

After the introduction of the Affordable Homes Programme in 2011 (HCA, 2011a), rent levels for low-income housing were set at up to 80% of market rents. In addition, developing landlords were expected to raise some of the existing rent to this level to cross-subsidize new developments and thereby reduce government capital funding per dwelling. This indicates a shift from a dualist social rented sector with strong direct government involvement towards a unitary system with less government funding and regulation.

---

5   Article 'Private developers return cash for 2,600 affordable homes.' The Guardian, 28 August 2014.

In contrast, the Netherlands, traditionally labelled as a unitary housing system, is developing dualist characteristics with stricter regulation of social landlord activities and the introduction of means-tested access to social housing in 2010 (Priemus & Gruis, 2011). Social housing in the Netherlands is becoming less unitary and more targeted at low-income households. This is a clear break from the hitherto broad mission and wide target group of Dutch housing associations. This could be related to a more profound development in the political economy of the country. The Netherlands appears to be moving towards a more liberal market economy and liberal welfare state regime, with stronger market mechanisms in the provision of welfare services such as health care, social care, and social housing. These crossovers of development paths in the Netherlands and England, on several dimensions and in a short time period, suggest that the added-value of typologies for political economies, welfare regimes, and rental housing systems is limited to a helpful conceptual reference point for a more in-depth exploration of developments; a more fine-grained exploration is necessary to capture similarities and differences.

Housing associations as hybrid social enterprises

Although there are significant differences between English and Dutch housing associations with respect to the timing, intensity, and direction of welfare state developments, many parallels can be drawn between the social origins of housing associations in the two countries (Mullins, 2000; Mullins & Murie, 2006; Mullins & Riseborough, 2000; Boelhouwer, 2002, 2007; Beekers, 2012; Gulliver, 2006; Priemus & Dieleman, 1997; Van der Schaar, 1987). In both countries, the first housing associations emerged in the nineteenth century as private initiatives undertaken by philanthropists, enlightened entrepreneurs, and other elite groups. The state only took a more prominent position in the aftermath of World War I, in order to reduce the housing shortage caused by lack of supplies, and after World War II to address the considerable war damage and to meet increasing demand for new housing due to the post-war baby boom. In the 1980s and 1990s, a more liberal approach took hold, whereby governments retreated from direct involvement in social housing provision.

Due to this shared development pattern, English and Dutch housing associations have inherited a hybrid mix of public sector, market, and civil society values, structures, purposes, and governance mechanisms (Czischke, Gruis, & Mullins, 2012; Mullins, Czischke, & Van Bortel, 2012; Czischke, 2014; Mullins & Pawson, 2010). Brandsen, Van de Donk, and Putter (2005) developed a framework to explore the hybrid position of organisations operating between state, market, and community. Housing associations act as third-sector organisations in the field bordering, and sometimes overlapping, the state, market, and community domains [see blue patch in Figure 2.1]. This third sector is hybrid and fuzzy, but so are the other sectors. Very few organisations in the market, state, and community sectors are close to their ideal

types. Many other organisations cannot be pin-pointed that easily due to problems of fragmentation, unclear boundaries, dynamics, and mixed-coordination mechanisms. Hybrid arrangements, such as New Public Management approaches (Osborne & Gaebler, 1992) and quasi-markets (Helderman, 2007), attempt to combine elements of market, state, and non-profit domains.
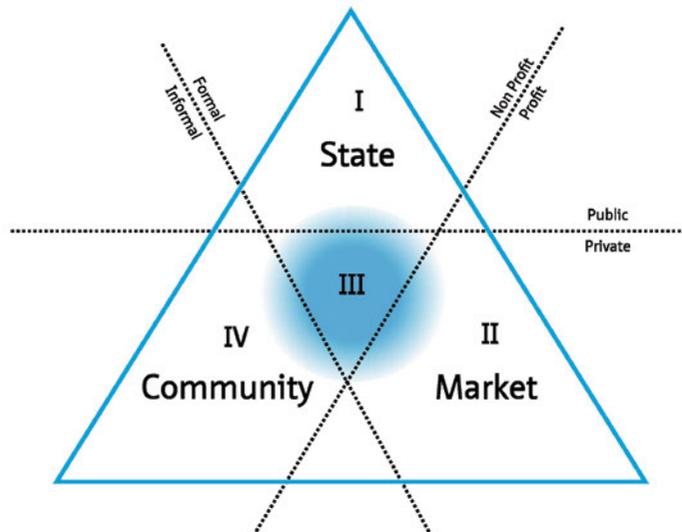
FIGURE 2.1 Hybridity in the third sector
Adapted by author from Brandsen et al. 2005, p: 752 (the blue mark in the centre represents the fuzzy working terrain of third sector organisations).

Not only is hybridity a clear trait in the development path of housing associations; it is also evidenced by the associations' broad and continuously evolving array of services. These activities are often on the edge of state, market, or community sectors. Housing associations adapt themselves to, and are influenced by, their context. They can be chameleon-like in their ability to present themselves as belonging to the private, the public, or the community sector (Brandsen, Van de Donk & Putters, 2005; Blessing, 2012). They can present themselves as private sector actors for funding purposes[6], or as community organisations for contacts with residents. When accountability is at stake or when they provide non-housing services aimed at increasing the social or financial

---

6   For example the AEDEX/IPD Netherlands Annual Social Housing Property Index ('AEDEX/IPD Corporatie Vastgoedindex'), used by Dutch housing associations, employs the vocabulary, methods, and standards used by private real estate companies to measure and benchmark the performance and risk of (social) real estate portfolios.

inclusion of their residents, they may present themselves as public sector actors (Mullins & Murie, 2006). Some organisations have embraced a social enterprise discourse to highlight their position between markets and communities. These organisations distance their activities from those of the government (Teasdale, 2012). In housing, this positioning has to a degree been promoted by governments who have embraced the opportunity to shift state expenditures for social housing off the public sector accounts and towards a stronger role for the private sector (Pawson & Mullins, 2010).

HOUSING ASSOCIATIONS IN ENGLAND AND THE NETHERLANDS: SIZE, SCALE AND CHARACTERISTICS

With a share of 32% of the total national housing stock, the Dutch social housing sector is the largest in Europe. England takes second position, with 20% of the stock. In most European countries, the social rented sector accounts for less than 10% of all housing (Whitehead & Scanlon, 2007). Council housing used to dominate the English rental market with a share of 29% of the total housing stock in 1981. This was before the Thatcher government introduced the 'Right to Buy', stock transfers to housing associations and restrictions of new housing construction by local governments. At that time, housing associations accounted for only 2% of the housing stock (Pawson & Mullins, 2010, p.31). Not only was social housing the largest section of the rental market, it also provided housing for a wide section of the population, including middle-class households.

In the Netherlands, almost all (2.2 million) social housing properties are managed by one single type of organisation, namely housing associations (Finance Ideas, 2014, p.11). Municipal housing, which historically played an important role in the Dutch social housing sector, has almost completely been absorbed by housing associations (Beekers, 2012; Van der Schaar, 1987). By comparison, England has a much wider array of public, private, third-sector, and community-led social housing providers. Roughly, the management of the social rental portfolio (4 million homes) in England can be split into four almost equal shares: local authority council housing; semi-independent Arms Length Management Organisations (ALMOs[7]), managing homes for local authorities; traditional housing associations; and stock transfer housing associations[8] (Pawson & Mullins, 2010).

---

7   Arms Length Management Organisations (ALMOs) are social landlords created as a result of stock transfers from council housing to an organisation that manages the stock on behalf of local authority owners.

8   Large Scale Voluntary Transfer (LSVT) is a process that has seen 50% of council housing transfer to housing associations since 1988 (Pawson & Mullins, 2010).

As illustrated in the text box above there are large differences between the providers of social housing in England and the Netherlands. Decision-making processes between organisations can be hybrid, but so can the processes within organisations (March & Simon, 1958/1993). Organisational structures have become more flexible and permeable (Agranoff, 2007). Organisational boundaries can be blurred, and coordination mechanisms within organisations can be mixed. Many organisations are characterised by hybridity because of their need to balance social and economic objectives (Billis, 2010). This creates hybrid intra-organisational decision-making processes on top of the inter-organisational coordination mechanisms. The social housing sectors in both countries have strived to manage the diversity and intra-organisational hybridity by introducing codes of governance to provide guidance for decision-making and governance processes, and oversight of the conduct of CEOs and board members (Aedes/VTW, 2015; NHF, 2015). The umbrella organisation for English housing associations, the National Housing Federation (NHF), published its first edition of the *Code of Governance*. Around the same time, the predecessors of Aedes, the trade body for Dutch housing associations, presented their *Business Code Housing Associations* (Nationale Woningraad, 1996). These self-regulatory frameworks define common values and standards of practice and also contain mechanisms to ensure compliance. To accommodate for changing expectations and the shifting balances of power, codes of governance for housing associations are frequently updated.

The core characteristics of housing associations are summarised in Table 2.3 below.

GOAL	Housing associations provide housing to target groups that cannot afford full market rents, while balancing social and economic objectives. Profit is not an aim; social impact is.
STEERING	Housing associations are self-governing organisations, operating within a framework of government regulation, but without direct government control.
STRUCTURE AND STRATEGY	Beyond the core of a shared goal and steering concept, housing associations vary considerably in organisational structure, strategy, and the scope of the activities they undertake complementary to providing affordable rental housing.

TABLE 2.3 Core characteristics of housing associations

The role of housing associations in neighbourhood regeneration

Neighbourhood regeneration: from clearance to improvement

Neighbourhood regeneration entails a programme-based approach to reduce deprivation in areas characterised by decline (Carter, 2012). In many countries, neighbourhood regeneration originated after WWII, manifesting as the clearance and redevelopment of inner city areas to provide opportunities for new urban developments (Priemus & Metselaar, 1993). New neighbourhoods were built in green field areas to provide housing for the displaced inhabitants of the city centre. In many Northern and Western European countries these new properties were social housing for working class households (Wassenberg, 2010, p. 16). Housing associations and council housing departments played a prominent role in the development of these new neighbourhoods (Pawson & Mullins, 2010).

In the early 1970s, Dutch housing associations constituted an already large and mature sector, managing 41% of the total housing stock in 1975 (Boelhouwer, 1999). In England, social housing was still dominated by municipal council housing. Housing associations comprised a small sector, owning less than 1.6% of the housing stock in 1975 (Murie, 2008). The revival of English housing associations was strongly related to neighbourhood regeneration. The 1974 Housing Act envisaged a larger role for housing associations in housing construction and the improvement and conversion of older properties in challenged areas (Murie, 2008). Housing Action Areas (HAAs) were set up through the 1974 Housing Act as a response to top-down gentrification and clearance. New approaches embraced more bottom-up methods to tackle inner city decline. Selected areas attracted generous improvement grants aimed at encouraging residents to stay. Tenants' rights were guaranteed and, where private landlords failed to improve, councils could compulsorily purchase and renovate (Powers & Mumford, 1999). Through these initiatives, housing associations became more closely involved in urban regeneration partnerships with local authorities (Pawson & Mullins, 2010). The involvement of housing associations in small-scale neighbourhood renewal activities, as well as housing for special needs groups, complemented rather than competed with local authority housing provision, such as urban renewal activities (Mullins & Murie, 2006).

During the 1970s and 1980s, urban renewal in the Netherlands was mainly focused on pre-WW II districts. During the 1990s, the focus shifted from pre-WW II to post-war urban areas built between 1950 and 1970. The new priority areas often had large concentrations of housing owned by housing associations (Elsinga & Wassenberg, 2007). The creation of mixed-tenure neighbourhoods by replacing part of the social housing stock with owner-occupied housing and up-market rental dwellings in order to retain moderate-income households became the prominent policy paradigm (Priemus, 1997, 2004; VROM, 1997).

The emergence of integrated area-based approaches

During the clearance and redevelopment in the 1950s and 1960s, regeneration was primarily a top-down process with a strong emphasis on the physical elements of renewal and a prominent position for national and local governments. The social dimension of neighbourhood renewal remained underdeveloped, ambiguous, and implicit (Van der Schaar, 2006). Particularly after the 1973 oil crisis, the neighbourhood clearance and redevelopment approach came under pressure due to the growing focus on preservation and repair. A new focus on popular demand and social needs, including affordable housing, emerged (Priemus & Metselaar, 1993; Turkington, Van Kempen & Wassenberg, 2004; Vermeijden, 1996, 2001).

Although the improvement of the pre-WWII stock was mainly triggered by poor housing quality, the improvement of post-WWII housing was also driven by the ambition of addressing social and housing market problems. This strengthened the understanding, in the Netherlands, England, and other Western European countries, that sustained area-based and integrated interventions were needed, with involvement of public and market actors, to address the multiple forms of deprivation concentrated in some neighbourhoods (Cole & Nevin, 2004; Dabinett, Lawless, Rhodes, & Tyler, 2001; Musterd & Ostendorf, 2008; Mullins & Van Bortel, 2010; Priemus 2006; Rhodes, Tyler, & Brennan, 2003; Uitermark, 2003; VROM-Raad, 2006).

The role of housing associations in neighbourhood regeneration became increasingly prominent in the 1990s. The Dutch government considered its involvement in urban renewal as a temporary operation to catch up on neglected housing maintenance and neighbourhood deprivation. It assumed that local actors would be able to mobilise the necessary resources for future regeneration initiatives (VROM, 1992). This coincided with a major deregulation operation (the 'Brutering') that provided Dutch housing associations with more operational and financial autonomy, as explained earlier in this chapter (Boelhouwer, 2003a). Housing associations were expected to fund the renewal of post-war neighbourhoods from their own resources, such as rental income and housing sales revenues (Ouwehand, 1997). The co-responsibility of housing associations for the quality of life in neighbourhoods was anchored through the inclusion of 'liveability' as a compulsory performance field in the 1997 revision of the Social Housing Management Order (Gruis, Nieboer, & Thomas, 2004).

Especially since New Labour came to power, in 1997, housing and neighbourhood regeneration policies in England have emphasised the importance of social inclusion, stakeholder consultation, "joined-up" government, and collaboration (Mullins & Murie, 2006, p. 135) in the delivery of housing policy and neighbourhood regeneration. In 2001 a *National Strategy Action Plan* for neighbourhood renewal (Cabinet Office, 2001) brought some coherence into the vast array of regeneration programmes. The strategy included the ambition that within 10 to 20 years no one

should be disadvantaged by where they lived. The Labour Government created two new government units: the Social Inclusion Unit and the Neighbourhood Renewal Unit. These units worked across national government departments, but also at the regional level through its neighbourhood renewal teams. At the local level, the emphasis was very much on harnessing all sectors, focussing existing services and resources explicitly on deprived areas, and giving local residents and community groups a central role in making better neighbourhoods (Pierson & Worley, 2005). Embedded in New Labour neighbourhood renewal policy was the assumption that local people and local organisations could and should mobilise their own resources to support neighbourhood renewal.

The Neighbourhood Renewal Unit introduced two flagship programs: the New Deal for Communities (NDC) and Neighbourhood Management Pathfinders (NMP). The NDC programme was launched in 1999 and ran through 2008 (CLG, 2010a, 2010b). In addition to these programs, a Housing Market Renewal (HMR) initiative was created that ran from 2002 until 2011. The origin of the HMR initiative is unusual when compared to many other area-based initiatives in the UK. These programs were often designed by the central government and passed on to local authorities and/or partnerships for local negotiation and delivery. Contrastingly, the HMR was the result of lobby activities by consortia of local authorities and housing associations in the Midlands and the North. Housing organisations commissioned research into the nature of changing housing demand and housing abandonment in order to make recommendations for regeneration (Nevin, Lee, Goodson, Murie, & Phillimore, 2001a, 2001b). This body of research provided a basis for the lobby activities that led to the HMR program (Murie, 2008).

The New Labour government's 2003 Sustainable Communities Action Program was also a key policy reference point. The plan dedicated substantial resources to address serious housing shortages in London and the South East, and the impact of housing abandonment in places in the North and Midlands (Office of the Deputy Prime Minister, 2003).

Housing associations as community investors

In both the Netherlands and England there were strong drivers for housing associations to take a leading role in improving the quality of life in vulnerable neighbourhoods. In the UK there was a growing public prejudice against social housing tenants, a declining satisfaction among residents, and a persistent perception that housing associations were competitive and complaining (Scase & Scales, 2003). This led to the launch of the national 'In Business for Neighbourhoods' alliance in 2003 by the National Housing Federation (NHF), the representative body for English housing associations (National Housing Federation, 2003a, 2003b, 2003c, 2005). The need for a stronger

focus on vulnerable neighbourhoods was also the result of a growing concern with unemployment among social housing tenants leading up to the 2007 *Hills Report* (Hills, 2007). In Business for Neighbourhoods was primarily a rebranding exercise, but English housing associations did invest considerable resources of their own and leveraged more from partners into community investment activities, as confirmed by two neighbourhood audits (National Housing Federation, 2008; 2012).

Several years later, in 2007, Dutch housing associations also began to respond to external pressures to make better use of their asset-based equity and to deliver more socially relevant outcomes (SER, 2005; VROM-Raad, 2007). In a 2006 letter to parliament, the then Housing Minister Winsemius stated that housing associations "have a responsibility to the whole neighbourhood"[9]. In 2007 the government stated in its Coalition Agreement that a substantial financial contribution was expected from housing associations to fund the national neighbourhood regeneration program. That same year the minister responsible for housing and neighbourhoods presented the 'Empowered Neighbourhoods Program' (WWI, 2007). The focus of that program was mainly on addressing social and economic deprivation in vulnerable neighbourhoods. Housing associations had been active in physical restructuring and urban renewal for many decades, but the need to contribute to social activities and objectives of urban policies was rather new (Van Gent, Musterd, & Ostendorf, 2009; Boelhouwer, 2007).

In 2007, umbrella organisation Aedes revised its industry governance code to signpost the neighbourhood-focused mission of housing associations (Aedes, 2007; Aedes, 2011). That same year Aedes presented its *'Answer to Society'* manifesto (Aedes, 2007a), expressing the social housing sector's ambitions to channel substantial investments towards deprived neighbourhoods.

Community investments by housing associations refer to neighbourhood-focused physical and social activities complementary to investments in housing construction and refurbishment. Because of divergent definitions of community investments, inconsistent accounting practises, and large differences between the policies of individual housing organisations, it is hard to formulate generic conclusions on the nature of community investments[10]. However, based on available information, some tentative observations can be made on the differences between the community activities in the Netherlands and England.

---

9   Letter to Parliament, TK 2006-2007, 30128, No 12

10   UK literature often uses the term 'community investments' where 'community expenses' would be more appro-
         priate.

The National Housing Federation published two audits (National Housing Federation, 2008; 2012) to provide a clearer picture of the neighbourhood activities of English housing associations. The 2008 audit found that 40% of community investments by housing associations was paid for by other resources, such as local governments and charitable, voluntary, and faith organisations. In the 2012 audit, covering a period after the global financial crisis, this investment had dropped to 30%. Community investments comprised initiatives on a wide range of terrains, such as jobs, training, education, skills, well-being, community safety, cohesion, poverty, social exclusion, and environment. In addition to out-of-pocket expenses reported in the audits, English housing associations also delivered in-kind contributions to neighbourhoods in the form of administrative, managerial, and technical support and advice as well as facilities such as free accommodation, transport, and supplies.

Social landlords in the Netherlands hardly ever use resources from other organisations to fund their community investments. Their activities have traditionally been more focussed on physical activities, such as improving the quality, upkeep, and safety of semi-public areas, burglary and fire prevention, and maintenance of neighbourhood facilities (Centraal Fonds Volkshuisvesting, 2007, 2013). While English housing associations demonstrate a stronger focus on people-related social investments, their Dutch counterparts undertake fewer activities focussed on jobs, training, education, and skills directly themselves. When they undertake social activities, there is a stronger connection with basic landlord services, such as preventing evictions, rent-arrears, and anti-social behaviour. Dutch housing associations also provide 'social real estate' and facilities management for partners that deliver health services, social care, and other services.

§ 2.3 Key component 2: Understanding decision-making in the public domain

§ 2.3.1 The rise of the network society

Societal developments, especially the emergence of the 'network society' have profoundly altered the state's role in decision-making in the public domain. Information and communication technologies have fragmented social, economic, and political infrastructures into a network of interdependent decentralised 'nodes'. Consequently, decision-making has shifted from vertical bureaucratic to horizontal cooperation, and from government to governance (Van Dijk, 1999; Castells, 1996; Frissen, 2002; Rhodes, 1997).

The network society has increased the complexity of societal challenges, including the 'wicked' problems (Rittel & Webber, 1973) of interrelated social, economic, and physical deprivation that neighbourhood regeneration is expected to address. Public and private actors addressing these problems are increasingly interdependent due to the fragmentation of resources such as funding, expertise, land, democratic legitimation, and links with local communities (Kokx & Van Kempen, 2009). The resulting complexity involving multiple actors and issues frequently leads to deadlock, low-quality outcomes, and ambiguous democratic anchorage of decision-making processes (Simon, 1955; Lindblom, 1959, 1965; Rhodes & MacKechnie, 2003; Rhodes, 2006, Koppenjan & Klijn, 2004; Sørensen & Torfing, 2007). These developments have consequences for the ways in which decisions are both made *and* studied (Teisman, 2005). This section briefly discusses the following elements that are needed to explore and understand neighbourhood regeneration decision-making:

1. transformation from state hierarchies and markets to hybrid coordination mechanisms;
2. network governance as an analytical framework;
3. decision-making in networks: 'garbage can' decision-making, policy streams, and decision-making arenas;
4. different types of networks;
5. different rules and logics in system world of agencies and the lifeworld of residents. Each of these elements will be discussed more elaborately in other chapters in this thesis.

§ 2.3.2   **Transformation from hierarchies and markets to hybrid coordination**

With the emergence of the network society, the delivery of housing policies and neighbourhood renewal was transformed. Bureaucratic procedures were replaced by multi-actor decision-making 'games' in collaborative governance networks where the government no longer was the dominant actor (Swyngedouw, 2005). These new modes of decision-making and public service delivery involve interdependent state, private, non-profit, and community actors (Bengtsson, 2001; Priemus, 2004). There is, however, disagreement among scholars about the power distribution and resulting coordination mechanisms in these networks (see Davis, 2011).

Are markets, hierarchies, and network mechanisms mutually exclusive [see Table 2.4 below], or can these forms of coordination be combined or blended into hybrids forms of decision-making? Williamson saw distinct boundaries between market mechanisms and government hierarchies (Williamson, 1975). Powell argued that the dichotomy between markets and hierarchies blinds us to the role played by reciprocity and collaboration

as alternative governance mechanisms (Powell, 1991). He advocated a continuum of coordination mechanisms. Others contend that hierarchies, markets, and networks can be separated conceptually, but that in reality these mechanisms are found in various interwoven forms and combinations (Swyngedouw, 2005; Jessop, 2002; Bradach & Eccles, 1989). In a similar vein, Brandsen et al. (2005) state that in a network society, borders between market, state, civil society, and community actors are blurred; within hierarchical structures, one can see forms of network coordination or market competition (Buitelaar, Mertens, Needham, & De Kam, 2006; Koffijberg, 2005). Koppenjan and Klijn (2004) contended that interdependent networks are replacing other forms of coordination.

	THE HIERARCHICAL MODEL	THE MARKET MODEL	THE NETWORK MODEL
Focus	Central ruler	Multi-actor setting	Interactions among actors
Characterization of relations	Hierarchical	Autonomous	Interdependent
Policy Process	Neutral implementation of ex-ante formulated policy	Self-governance on basis of discrete decisions and mutual adjustment	Interactive process in which information, goals, and resources are exchanged
Successful governance	Attainment of public goals as part of formal policy	Attainment of individual goals by actors	Attainment of mutual goals by collective action
Causes of failure	Ambiguous goals, lack of information and control	Rigid policies, lack of discretionary freedom and resources	Lack of incentives for collective action, existing blockades
Recommendations for governance	Coordination and central-ization	Deregulation, decentrali-sation, privatization	Management of policy networks: improving conditions under which actors interact

TABLE 2.4 State, market and network coordination mechanisms
Source: Klijn and Koppenjan (2007, p. 172). Adopted from Kickert, Klijn, and Koppenjan (1997, p. 10)

These shifts in governance do not necessarily lead to a reduction of state power, but could indicate a shift from formal to informal techniques of government steering (De Bruijn & Ten Heuvelhof, 1991; Swyngedouw, 2005), such as steering in the "shadow of hierarchy" (Scharpf, 1993, pp. 145-147; Koffijberg, 2005). This notion is closely related to Foucault's concept of 'governmentality', i.e. the techniques and strategies by which a society is made governable (Foucault, 1980; Kokx & Van Kempen, 2009). Rhodes claims that interdependent networks of state and non-state actors weaken the hierarchical powers of the government in urban regeneration processes (Rhodes, 1997). Davies, on the other hand, insists that the state is still dominant because these networks have asymmetrical power relations that still favour the state (Davies, 2002, 2011). Similarly, Jones and Evans (2006) conclude that many fail to see the state-centeredness in many network arrangements.

These actors mainly comment on developments in the 1990s and early 2000s from a UK perspective, with a strong role of the state in funding and regulating social housing and neighbourhood renewal. However, Koffijberg (2005) also found a strong role for the Dutch national government in shaping housing policies by using network steering instruments. Koffijberg found that the department responsible for housing used a variety of strategic actions to influence policy developments and the behaviour of actors. Some actions had a classic hierarchical character, but network steering instruments were numerically in the majority. Chapter 5 discusses these steering instruments in more detail.

Market competition and state hierarchies are features of liberal and coordinated market economies, but Hall and Soskice (2001) stress the variation found in the character of corporate structures and government hierarchies across different types of economies and the presence of coordination problems even within hierarchical settings.

Considering market, state, and society as separate domains is not very realistic or productive. To the extent that these coordination mechanisms already can be identified in empirical reality as distinct separate domains, they are each other's precondition: modern societies are not able to flourish without a market, no market operates without government, and no government can exercise authority without societal involvement and support (WRR, 2012).

This research intended to explore and understand how decision-making processes in neighbourhood regeneration work in practice, not how they *should* evolve. The research perspective used should therefore be able to accommodate for the existence of market, state, network *and* mixed coordination mechanisms in decision-making processes, and the possibility of either centralised hierarchical power or more distributed networked power.

§ 2.3.3 **Network governance as an analytical framework**

Theorists in political science, public management, economics, and organisational sociology have developed a still-growing body of network theory to increase our understanding of organisational and institutional dynamics. There is a growing critique of traditional decision-making approaches, assuming that actors make rational choices based on perfect information. Simon's (1955) ideas about 'bounded rationality' and 'satisficing'-oriented processes of policy development and Lindblom's (1959) proposition of a science of 'muddling through' have made it clear that traditional rational approaches to policy-making are unrealistic and at odds with day-to-day

decision-making practices (Klijn, 2008). Contrastingly, the network approach connects with real-life decision-making processes by taking account of the complexity and uncertainties involved in contemporary governance (Koppenjan & Klijn, 2004).

Since the 1990s, considerable research efforts have been made to conceptualize complex systems and network governance (Rhodes, 1997; Scharpf, 1993, 1997; De Bruijn & Ten Heuvelhof 1991, 2000; Blackman, 2001; Chapman, 2002; Kickert, Klijn, & Koppenjan, 1997; Koppenjan & Klijn, 2004; Teisman, 1998, 2005; Rhodes, 2006; Sørenson & Torfing, 2007, 2009). There is a growing body of knowledge applying network governance theory to the domain of social housing and neighbourhood regeneration, in the form of research reports (e.g. Van Bortel & Elsinga, M. (2005), Haffner, & Elsinga (2007, 2009), PhD dissertations, (e.g. Klijn, 1996; Koffijberg, 2005), special issues in academic journals (Mullins & Rhodes 2007, Van Bortel, Mullins & Rhodes, 2009), and conference papers (e.g. Van Bortel, Van Bueren, Van Eeten, Elsinga & Kerpershoek, 2007). Building on this, governance network approaches will be used to construct the analytical framework for this research [see section 1.2 Conceptual framework and research questions]. The characteristics of governance networks are discussed in more detail in chapters 3, 5 and 6).

§ 2.3.4 **Different types of networks**

The previous sections discussed the rise of networks in modern society. Actors in these networks can have divergent goals and resources. To increase our understanding of decision-making in these networks, we need to know more about the different types of networks that exist, and the different types and strengths of relationships that are required to make these arrangements work. Brown and Keast (2003) and Keast, Mandell, and Brown (2007) identified three main network typologies, i.e. cooperative, coordinative, and collaborative networks, ranging from loose to strong relational connections [see Table 2.5]. The different network types represent different purposes and different structural characteristics, and require different levels of trust and time to develop.

COOPERATIVE[1]	COORDINATIVE	COLLABORATIVE
LOW TRUST — UNSTABLE RELATIONS	**MEDIUM TRUST — BASED ON PRIOR RELATIONS**	**HIGH TRUST — STABLE RELATIONS**
Infrequent communication flows	Structured communication flows	Thick communication flows
Known information sharing	'Project' related and directed information sharing	Tactical information sharing
Adjusting actions	Joint projects, joint funding, joint policy	Systems change
Independent/autonomous goals	Semi-independent goals	Dense interdependent relations and goals
Power remains with organisation	Power remains with organisations	Shared power
Resources — remain own	Shared resources around project	Pooled, collective resources
Commitment and accountability to own agency	Commitment and accountability to own agency and also to project	Commitment and accountability to the network first
Relational time frame requirement — short term	Relational time frame medium term — often based on prior projects	Relational time frame requirement — long term 3-5 years

TABLE 2.5 Network typologies

Source: Brown & Keast 2003; Keast et al., 2007
[1] The term 'cooperative' is used by Brown and Keast. Feedback from native English speakers highlighted that 'cooperative' can be understood as a stronger form of collaboration than is intended here.

Cooperative networks are primarily focused on short-term activities and mutual adjustment to ensure that the goals of individual organisations are met. There is relatively little trust between actors, and their relationships are often unstable. Decision-making power remains within the individual organisations and does not extend to mutual decision-making. In coordinative networks, the relationship between actors is more mature and structural. Previous interactions have strengthened the level of trust between actors. Interactions take place in joint projects with pooled resources and shared goals. As in cooperative networks, decision-making power remains within the respective organisations. Individuals have a shared commitment, partly to their own organisation, and partly to the projects they carry out together with others. Relations between actors in collaborative networks are even more long lasting and built on trust between actors. A distinctive feature of collaborative networks is 'systems change', and organisational boundaries become more opaque due to semi-permanent collaborative organisation structures. The goals of the organisations become more intertwined, as do their financial resources and their decision-making powers. Also, the commitments and allegiances of individuals become more ambiguous —shifting more towards the network rather than their own organisation.

Housing associations in the Netherlands have more resources and regulatory autonomy than their English counterparts. The Dutch political economy is based on non-competitive collaborative relations (Hall & Soskice, 2001), and its welfare regime

has strong corporatist traits. Therefore, it is likely that one can find more collaborative characteristics in Dutch neighbourhood regeneration networks. In contrast, more cooperative/coordinative characteristics are expected in English regeneration networks because of the more competitive arrangements in that country, as well as the stronger dependence of English housing associations on government resources. In other words, housing associations in the Dutch local regeneration networks already have most of their required resources and adequate regulatory freedom, yet need strong collaborative relations with other actors to allocate these resources, while their English counterparts (i.e. housing associations and local authorities) need to cooperate in order to acquire the financial resources from their national government in the first place. These partnerships can be regarded as 'externally mandated' (Rees et al, 2012). The national government still has important hierarchical power over these partnerships, and this may reduce the ability of partnership members to determine activities and outcomes. (Muir & Mullins, 2015).

§ 2.3.5 **Different rules and logics in the system world of agencies and the lifeworld of residents**

During the fieldwork period of this research, national governments in the Netherlands and the UK introduced new policy paradigms that have influenced the role of the government and citizens in the provision of welfare services and neighbourhood regeneration. In 2009, David Cameron introduced the 'Big Society' agenda. Several years later, in 2013, the Dutch government presented its 'Participation Society' agenda ('Participatiesamenleving'). Although the aim of both initiatives is very similar, namely reducing the role of the government and increasing the role of citizens, the approach towards achieving these aims is very different (Verhoeven & Tonkens, 2013). These differences are discussed in more detail in chapter 8. The introduction of these new policy paradigms led to a greater emphasis on the collaborative co-production of public services and neighbourhood regeneration initiatives between citizens and neighbourhood regeneration professionals.

The network governance perspective used to analyse fieldwork data provided sufficient insight into the causes of the rather cumbersome interactions between residents and local community representatives on the one hand, and the housing associations and local authorities, on the other. The publication by Van den Brink, Van Hulst, De Graaf, & Van der Pennen (2012) on the role of exemplary practitioners in neighbourhood regeneration introduced me to Habermas's concepts of 'system' and 'lifeworld' (1987). The system is the formal and rational dimension covering organisational forms, rules, laws, procedures, and hierarchies. It can arise in many societal domains such as economics, politics, education, housing, science, government, healthcare, welfare,

and justice. In contrast, the lifeworld is the domain of personal relations between family members, friends, neighbours, and members of local, faith, or other informal communities. The lifeworld is a world of informal communications, storytelling, personal values, experiences and emotions, but also a domain of social inequalities and conflicts. Habermas's concept helped me to better understand the interactions between organisations and residents. This concept is further elaborated and applied in chapter 8 (also see Van der Pennen & Van Bortel, 2015).

Decision-making: garbage cans, policy streams, and arenas

Decision-making processes rarely evolve chronologically, nor do they have an established logic (Simon, 1955). In networks, where there is no set hierarchy of objectives and values, problem solving is often characterized by 'organised anarchy' (Cohen, March, & Olsen, 1972). In these situations, problem formulation, solution design, and decision-making develop independently from each other. Cohen et al. describe these processes as streams of problems, solutions, participants, and choice-moments. They label these choice-moments as 'garbage cans' in which participants 'drop' often unrelated problems and solutions. Garbage can decision-making often does not solve the problems at hand, but the ambiguous situations in which decision-making occurs in practice cannot easily be eliminated. Acknowledging the existence of the garbage can phenomenon helps us to understand this core characteristic of decision-making, and can inform the design of processes to accommodate for its existence and, to some extent, manage it (Cohen et al., 1972).

Whilst Cohen et al. (1972) focused on university decision-making, Kingdon (1984) applied the stream model to public decision-making processes. He distinguished three streams: problems, solutions, and political events. For decision-making to take place, the streams need to be coupled in order to create a 'policy window' and an opportunity for decision-making. The coupling of these streams does not come about naturally. Actors, in search of solutions for their problems or support for their solutions, must create these couplings themselves. Kingdon called these actors 'policy entrepreneurs'.

Decision-making in housing systems has many of the characteristics of an open 'garbage can' (Helderman, 2007, viii). According to Koppenjan and Klijn (2004,), the garbage can may be regarded as a policy arena. The policy arena consists of activated parts of governance networks that include multiple interdependent actors that interact while pursuing their own objectives and applying their own logics in a particular instance of time and space.

Interactions between actors in these arenas are guided by formal and informal rules. The rules describe, among others, what actors are permitted to do and which actors can participate in which games. While formal rules deal with the authority of actors and the legal institutional characteristics of interactions, informal rules address social practices and values (Koppenjan & Klijn, 2004). According to Giddens (1984), rules are formed, sustained, and modified by human interactions. The basis of Giddens' concept of duality lies in the relationship between agency and structure. All human interaction (agency) is performed within the context of a pre-existing social structure, which is governed by a set of rules. Consequently, all human action is at least partly predetermined based on the varying contextual rules under which it occurs.

§ 2.4 **Conclusion**

In this chapter, we have introduced two key components to help us understand the role of housing associations in neighbourhood regeneration, and the complex and networked nature of decision-making. It can be concluded from the literature presented in the first component that housing associations have played an increasingly important role in neighbourhood regeneration. Housing associations in England and the Netherlands share many organisational characteristics and largely similar hybrid third-sector values. They have similar business processes, but work in different contexts, with relations to state, market, and community that are constantly evolving.

Because of its place-based nature, neighbourhood regeneration takes place in rather exceptional governance networks. Actors are more or less locked into the regeneration network. They are compelled to collaborate in order to solve housing and other area-based problems. The second component presented the elements needed to understand decision-making process: it discussed the transformation from hierarchies and markets to hybrid coordination mechanisms in the context of an emerging network society. Different components of network governance as an analytical framework were presented, such as various types of networks, different rules and logics in the system world of agencies and the lifeworld of residents, and finally concepts to unravel decision-making processes such as garbage can decision-making, policy streams, and arenas .

References

Aedes. (2007a). *Antwoord aan de Samenleving Manifest* [Answer to Society Manifesto]. Hilversum: Aedes.

Aedes. (2007b). *Aedescode* [Governance code]. Hilversum: Aedes.

Aedes. (2011). *Aedescode* [Revised governance code]. Hilversum: Aedes.

Aedes, & VTW. (2015). *Governancecode woningcorporaties* [Governance code housing associations]. Rotterdam: Aedes/VTW.

Agranoff, R. (2007). *Managing within networks. Adding value to public organizations*. Washington, DC: Georgetown University Press.

Beekers, W. (2012). *Het bewoonbare land. Geschiedenis van de Volkshuisvestingsbeweging in Nederland* [The habitable land: History of the housing movement in the Netherlands]. Amsterdam: Boom.

Bengtsson, B. (2001). Housing as a social right: Implications for welfare state theory. *Scandinavian Political Studies, 24*(4), 255–275.

Bengtsson, B. (2009). Political science as the missing link in housing studies. *Housing Theory and Society*, *26*(1), 10-25.

Billis, D. (2010). *Hybrid organisations and the third sector: Challenges for practice, theory and policy*. Basingstoke: Palgrave.

Blackman, J. (2001). Complexity theory and the new public management. *Social Issues, 1*(2), [Electronic journal: www.whb.co.uk/socialissues].

Blessing, A. (2012). Magical or monstrous? Hybridity in social housing governance. *Housing Studies. 27*(2) 189-207.

Boelhouwer, P., & Van der Heijden, H. (1992*). Housing systems in Europe: Part I. A comparative study of housing policy, housing and urban policy studies*. Delft: Delft University Press.

Boelhouwer, P. (1999). International comparison of social housing management in Western Europe. *Housing and the Built Environment*, *14*(3), 225-240.

Boelhouwer P. (2002). Trends in Dutch housing policy and the shifting position of the social rented sector. *Urban Studies, 39*(2), 219-235.

Boelhouwer, P. (2003a). Social housing finance in the Netherlands: the road to independence. *Finance International, 17*(4), 17-21.

Boelhouwer, P. (2003b). *Huisvestingssystemen. Wonen als wankele pilaar onder de verzorgingsstaat.* [Housing systems. Housing as the wobbly pillar under the welfare state, Inaugural speech). Delft: Delft University of Technology.

Boelhouwer, P. (2007). The future of Dutch housing associations. *Housing and the Built Environment, 22*, 383-391.

Bourne, L.S. (1981). *The geography of housing.* London: Arnold.

Bradach, J.L., & Eccles, R.G., (1989). Price, authority, and trust: from ideal type to plural forms. *Annual Review of Sociology, 15,* 97-118.

Brandsen, T., Van de Donk, W., & Putters, K. (2005). Griffins or chameleons? Hybridity as a permanent and inevitable characteristic of the third sector. *International Journal of Public Administration*, *28*(9), 749-765.

Brown, K., & Keast, R. (2003). Community–government engagement: Community connections through networked arrangements. *Asian Journal of Public Administration, 25*(1), 107-132.

Buitelaar, E., Mertens M., Needham B., & De Kam, G. (2006). *Sturend vermogen en woningbouw. Een onderzoek naar het vermogen van gemeenten om te sturen bij de ontwikkeling van woningbouwlocaties* [Steering capabilities and housing]. Utrecht: VROM/Nethur.

Cabinet Office. (2010). *National Strategy Action Plan for neighbourhood renewal.* London: Cabinet Office.

Carter, J. (2012). Neighbourhood improvement: The role of housing and housing institutions. In S. Smith (Ed.), *International Encyclopedia of Housing and Home* (pp. 67-72*)*. Amsterdam: Elsevier.

Castells, M. (1996). *The rise of the network society: The information age: economy, society and culture. Volume I.* London: Blackwell.

Centraal Fonds Volkshuisvesting (CFV). (2007). *Sectorbeeld 2006* [Overview Social Housing Sector 2006]. Naarden: CFV.

Centraal Fonds Volkshuisvesting (CFV). (2013). *Corporaties in Perspectief 2012* [Housing associations in perspective 2012]. Naarden: CFV.

Chapman J., (2002), *System failure: Why governments must learn to think differently.* London: Demos.

Communities and Local Government (CLG). (2010a). T*he New Deal for Communities Experience: A final assessment The New Deal for Communities Evaluation: Final report – Volume 7 Executive Summary*. London: Department of Communities and Local Government (CLG).

Communities and Local Government (CLG). (2010b). *What works in neighbourhood-level regeneration? The views of key stakeholders in the New Deal for Communities Programme*. London: Department of Communities and Local Government Publications.

Cohen, M.D., March, J.G., & Olsen, J.P. (1972). A garbage can model of organizational choice. *Administrative Science Quarterly, 17*(1), 1-25.

Cole, I., & Nevin, B. (2004). *The road to renewal: The early development of the housing market renewal programme in England*. York: Joseph Rowntree Foundation.

Czischke, D., Gruis, V., & Mullins, D. (2012). Conceptualising social enterprise in housing organisations, *Housing Studies, 27*(4), 418-437.

Czischke, D. (2014). *Social housing organisations in England and the Netherlands: between the state, market and community* [PhD Thesis]. Delft: Delft University of Technology.

Dabinett, G., Lawless, P., Rhodes, J., & Tyler, P. (2001). *A review of the evidence for regeneration policy and practice*. London: Department of the Environment, Transport and the Regions.

Davies, J. (2002). The governance of urban regeneration: a critique of the `governing without government' thesis. *Public Administration, 80*(2), 301-322.

Davies, J. (2011). *Challenging governance theory*. Bristol: The Policy Press.

De Bruijn, J.A., & Ten Heuvelhof, E.F. (1991). *Sturingsinstrumenten voor de overheid; over complexe netwerken en een tweede generatie sturingsinstrumenten* [Steering instruments for the state, on complex networks and second generation steering instruments]. Leiden: Stenfert Kroeze.

De Bruijn, J.A., & Ten Heuvelhof, E.F. (2000). *Networks and decision-making*. Utrecht: Lemma Uitgevers.

Dutch Parliament. (2014). *Parlementaire Enquête Commissie Woningcorporaties. Literatuurstudie.* [Parliamentary Enquiry Commission Housing Associations]. The Hague: Tweede Kamer.

Elsinga, M., & Wassenberg, F. (2007). Social housing in the Netherlands. In K. Scanlon & C. Whitehead (Eds.), *Social housing in Europe* (pp. 130-147). London: London School of Economics and Political Science.

Elsinga, M., Haffner, M., Van der Heijden, M., & Oxley M. (2009). How can competition in social rental housing in England and the Netherlands be measured? *International Journal of Housing Policy, 9*(2), 153-176.

Esping-Andersen, G. (1990). *The three worlds of welfare capitalism*. Princeton: Princeton University Press.

Foucault, M., (1980). *Power/Knowlegde: Selected interviews and Other Writings 1972-1977*. C. Gorman (ed.) Brighton: Harvester.

Frissen, P. (2002). *De Staat.* [The State]. De Balie: Amsterdam.

Finance Ideas. (2014). *Dutch residential investments: In European perspective*. Utrecht: Finance Ideas. .

Giddens, A. (1998). *The third way: The renewal of social democracy*. Cambridge/Oxford: Polity Press and Blackwell Publishers.

Giddens, A. (1984). *The constitution of society: Outline of the theory of structuration*. London: Macmillan.

Gruis V., Nieboer N., & Thomas. A. (2004). Strategic asset management in the social rented sector: Approaches of Dutch and English Housing Associations. *Urban Studies, 41*(7), 1229-1248.

Gulliver K. (2006). *Passionate about communities: Keynote, prime focus and Midland Heart housing associations 1925 to 2006*. Studley (UK): Brewin.

Haffner, M., & Elsinga, M. (2007). *Theorie en praktijk van een stedelijk vernieuwingsnetwerk.* [Theory and practise of an urban renewal network]. Gouda: Habiforum.

Haffner, M., & Elsinga, M. (2009). Deadlocks and breakthroughs in urban renewal: a network analysis in Amsterdam. *Journal of Housing and the Built Environment, 24*(2), 147-165.

Hall, P., & Soskice, D. (2001). *Varieties of capitalism: The institutional foundations of comparative advantage*. Oxford: Oxford University Press.

Harloe, M. (1995). *The people's home: Social rented housing in Europe & America*. Oxford: Blackwell.

Helderman, J-K. (2007). *Bringing the market back in? Institutional complementarity and hierarchy in Dutch housing and health care*. Rotterdam: Erasmus Universiteit.

Hills, J. (2007). *Ends and means: The future roles of social housing in England*. London: London School of Economics and Political Science.

Hoekstra, J. (2003). Housing and the welfare state in the Netherlands. An application of Esping-Andersen's typology. *Housing Theory and Society, 20*(1), 58-71.

Hoekstra, J. (2010). Divergence in European welfare and housing systems [PhD thesis]. Delft: Delft University Press.

Homes and Communities Agency (HCA). (2011a). *Affordable homes programme 2011-2015*. Homes and Community Agency: London.

Homes and Communities Agency (HCA). (2011b). *Affordable homes programme 2011-2015: Investment partner qualification guidance*. London: Homes and Community Agency.

Homes and Communities Agency (HCA). (2014). *Affordable homes programme 2015-2018 prospectus*. London: Homes and Community Agency.

Housing Corporation. (2007). *National affordable homes programme 2008-2011*. London: Housing Corporation.

Jessop, B. (2002). *The future of the capitalist state*. Cambridge: Polity Press.

Jones, Ph., & Evans, J. (2006), Urban renewal, governance and the state: Exploring notions of distance and proximity. *Urban Studies, 43*(9), 1491-1509.

Keast, R., Mandell, M., & Brown, K. (2007). Getting the right mix: Unpacking integration meanings and strategies. *International Public Management Journal, 10*(1), 9-14.

Kemeny, J. (1992). *Housing and social theory*. London: Routledge.

Kemeny, J. (1995). *From public housing to social market: rental policy strategies in comparative perspective*. London: Routledge.

Kemeny, J., Kersloot, J., & Thalmann, P. (2005). Non-profit housing influencing, leading and dominating the unitary rental market: Three case studies. *Housing Studies*, *20*(6), 855–872.

Kemeny, J. (2006). Corporatism and housing regime. *Housing Theory and Society, 23*(1), 1-18.

Kemp, P., & Kofner, S. (2010). Contrasting varieties of private renting: England and Germany. *International Journal of Housing Policy, 10*(4), 79-398.

Kickert, W.J.M., Klijn, E.H., & Koppenjan, J.F.M. (Eds.) (1997). *Managing complex networks; strategies for the public sector*. London: Sage Publications.

Kingdon, J. (1984). *Agendas, alternatives and public policy*. Boston: Little, Brown & Company [second edition 1995]. New York: Harper Collins College Publisher.

Kleinman, M. (1996) *Housing, welfare and the state in Europe*. Cheltenham: Edward Elgar.

Klijn, E.H. (1996). *Regels en sturing in netwerken: de invloed van netwerkregels op de herstructurering van naoorlogse wijken*. [PhD Thesis] [Rules and steering in networks: the impact of network rules on the restructuring of post-war neighbourhoods]. Rotterdam: EUR.

Klijn, E.H. & Koppenjan J. (2007). Governing Policy Networks. In Göktug Morçöl (ed.), *Handbook of Decision-making* (pp. 169-188). Boca Raton (US): CRC Press.

Klijn, E.H. (2008). Governance and governance networks in Europe. An assessment of ten years of research on the theme. *Public Management Review* 10:4, 505-525.

Koffijberg, J. (2005). *Getijden van beleid: omslagpunt in volkshuisvesting. Over de rol van hiërarchie en netwerken bij grote veranderingen*. [Tides of policy: turning points in public housing. On the role of hierarchy and networks in the management of change] Delft: Delft University Press.

Koppenjan, J., & Klijn, E.H. (2004). *Managing uncertainties in networks: a network approach to problem solving and decision making*. London: Routledge.

Kokx, A., & Van Kempen, R. (2009). Joining forces in urban restructuring: dealing with collaborative ideals and role conflicts in Breda. The Netherlands. *Environment and Planning A*, *41*(5), 1234-1250.

Lennartz, C. (2013). *Competition between social and private rental housing*. [PhD Thesis] Delft: IOS Press.

Lindblom, C.E. (1959). The science of 'muddling through'. *Public Administration Review, 19*, 79-88.

Lindblom, C.E. (1965). *The intelligence of democracy: Decision-making through mutual adjustment*. London: Free Press.

Lundqvist, L.J. (1992). *Dislodging the welfare state*. Delft: Delft University Press.

Malpass, P. (2005). *Housing and the welfare State. The development of housing policy in Britain*. Basingstoke: Palgrave Macmillan.

March, J., & Simon, H. (1958/1993). *Organizations*. Cambridge: Blackwell Publishers.

Muir, J., & Mullins, D. (2015). The governance of mandated partnerships: The case of social housing procurement. *Housing Studies. doi: 10.1080/02673037.2014.995070.*

Mullins, D. (2000). Social origins and transformations: The changing role of English housing associations. *Voluntas, 11*(3), 255-276.

Mullins, D., & Riseborough, M. (2000). Non-profit housing agencies: Reading and shaping the policy agenda. In M. Harris and C. Rochester (Eds.), *Voluntary organisations and social policy (*Chapter 11). Basingstoke: Macmillan.

Mullins, D., & Murie, A. (2006). *Housing policy in the UK*. Basingstoke: Palgrave Macmillan.

Mullins, D., & Rhodes, M.L. (2007). Editorial special issue on network theory and social housing. *Housing Theory and Society*, *24*(1), 1-13

Mullins, D., & Van Bortel, G. (2010). Neighbourhood regeneration and place leadership: lessons from Groningen and Birmingham. *Policy Studies Journal, 31*(4), 413-428.

Mullins, D. (2010). Housing Associations. *Working Paper 16*. Birmingham: Third Sector Research Centre.

Mullins, D., Czischke D., & Van Bortel, G. (2012). Exploring the meaning of hybridity and social enterprise in housing organisations. *Housing Studies*, *(27)*4, 405-417.

Mullins, D., & Pawson, H. (2010) Housing associations: Agents of policy or profits in disguise. In D. Billis (ed.) *Hybrid organisatons and the third sector* (pp. 197-218). Basingstoke: Palgrave Macmillan.

Mullins, D., & Walker, B. (2009). The impact of direct public funding for private developers on non-profit housing networks in England: exploring a research agenda. *International Journal of Housing Policy, 9*(2), 201-222.

Murie, A. (2008). *Moving homes: The housing corporation 1964-2008*. London: Methuen.

Musterd, S., & Ostendorf, W.J.M. (2008). Integrated urban renewal in the Netherlands: a critical appraisal. *Urban Research & Practice, 1*(1), 78-92.

National Housing Federation (NHF). (2003a). *iN business for neighbourhoods*. London: National Housing Federation.

National Housing Federation (NHF). (2003b). *iN business for neighbourhoods. Action for Change.* London: National Housing Federation.

National Housing Federation (NHF). (2003c). *iN business for neighbourhoods: Who we are, What we do.* London: National Housing Federation.

National Housing Federation (NHF). (2005). *iN business for neighbourhoods. One year on.* London: National Housing Federation.

National Housing Federation (NHF). (2008). *iN business for neighbourhoods: The evidence. The scale and scope of housing activity beyond housing*. London: National Housing Federation.

National Housing Federation (NHF). (2012). *Building futures, neighbourhood audit, summary and key findings.* London: National Housing Federation.

National Housing Federation (NHF). (2015) *Code of governance, promoting board excellence for housing associations*. London: NHF.

Nationale Woningraad (NWR). (1996). *Bedrijfstakcode Woningcorporaties.* Hilversum: Nationale Woningraad.

Nevin, B., Lee, P., Goodson, L., Murie, A. & Phillimore, J. (2001a). *Changing housing markets and urban regeneration in the M62 corridor*. Birmingham: Centre for Urban and Regional Studies.

Nevin, B., Lee, P., Murie, A., Goodson, L., & Phillimore, J. (2001b). *The West-Midlands housing markets: Changing demand, decentralization and urban regeneration.* Birmingham: Centre for Urban and Regional Studies.

Office of the Deputy Prime Minister (ODPM). (2003). *Sustainable communities: Building for the future*. London: ODPM.

Ouwehand, A. (1997). Na de bevrijding. Een nieuw perspectief? In: Agricola, E., Ouwehand, A. & Te Velde, G.J. *De naoorlogse wijk centraal*. Rotterdam: 010.

Osborne, D., & Gaelber, T. (1992). *Reinventing government. How the entrepreneurial spirit is transforming the public sector*. Reading, Mass.: Addison-Wesley.

Pawson, H., & Mullins, D. (2010). *After council housing. Britain's social landlords*. Basingstoke: Palgrave Macmillan.

Pierson, J., & Worley, C. (2005). Housing and urban regeneration policy (217-241). In P. Somerville & N. Sprigings (Eds.), *Housing and Social Policy. Contemporary themes and critical perspectives*. London/New York: Routledge.

Powell, W.W. (1991). Neither market nor hierarchy: network forms of organization, in G. Thompson et al., *Markets, hierarchies and networks. The coordination of social life*. London: Sage.

Powers A., & Mumford, K. (1999). *The slow death of great cities? Urban abandonment or urban renaissance.* York: Joseph Rowntree Foundation.

Priemus, H. (1983). *Volkshuisvestingssystemen en Woningmarkt* [Housing Systems and Housing Market]. Delft: Delft University Press.

Priemus, H. (1997). De stadsvernieuwing is dood; leve de stedelijke vernieuwing! [Urban renewal is dead; long live urban renewal!]. *Openbare Uitgaven, 4*, 152-159.

Priemus, H., (2004). Housing and new urban renewal: current policies in the Netherlands. *European Journal of Housing Policy.* 4(2), 229- 246.

Priemus, H. (2006). Regeneration of Dutch post-war urban districts: the role of housing associations. *Housing and the Built Environment.* 21*(4),* 365-375.

Priemus, H., & Dieleman, F. (1997). Social rented housing: Recent changes in Western Europe. *Housing Studies, 12*(4), 421-426.

Priemus, H., & Metselaar, G. (1993). Urban renewal policy in a European perspective. *Netherlands Journal of Housing and the Built Environment, 8*(4), 447-470.

Priemus, H., & Gruis, V. (2011). Social housing and illegal state aid: The agreement between the European Commission and the Dutch government. *International Jourinal of Housing Policy, 11*(1), 89-104.

Rhodes R., (1997). *Understanding governance, policy networks, governance, reflexivity and accountability*. Milton Keynes, Bucks: Open University Press.

Rhodes, M. (2001). The political economy of social pacts: 'Competitive corporatism' and European welfare reform, in: Pierson, P. (ed.), *The new politics of the welfare state*. Oxford (UK): Oxford University Press, pp. 165-194.

Rhodes, J., Tyler, P., & Brennan, A. (2003). New developments in area-based initiatives in England: The experience of the single regeneration budget. *Urban Studies. 40* (8). 1399-1426.

Rhodes, M.L., & MacKechnie, G. (2003). Understanding public service systems: Is there a Role for Complex Adaptive Systems? *Emergence, 5*(4), 57-85.

Rhodes, M.L. (2006). *Complexity as the mother of participation: Urban regeneration in Ireland*. Paper presented at the IRSPM 2006 conference [International Research Symposium on Public Management].

Scase, R., & Scales, J. (2003). *Regional futures and neighbourhood realities*. London: National Housing Federation.

Scharpf, F.W. (1993). Coordination in hierarchies and networks, In F.W. Scharpf (Ed.), *Games in hierarchies and networks, analytical and empirical approaches to the study of governance institution (*pp. 125-165). Boulder Colorado: Westview Press.

Scharpf, F.W. (1997). *Games real actors play: Actor-centered institutionalism in policy research*. Boulder: Westview Press.

SER. (2005) *Ondernemerschap voor de Publieke Zaak* [Entrepreneurship for the Public Cause]. Den Haag: Sociaal Economische Raad.

Simon, H. (1955). A behavioural model of rational choice. *The Quarterly Journal of Economics, 69*, 99-118.

Sørensen, E. & Torfing, J. (Eds.) (2007). *Theories of democratic network governance*. London: Palgrave-MacMillan.

Sørensen, E., & Torfing, J. (2009). Making governance networks effective and democratic through metagovernance. *Public Administration, 87*(2), 234-258.

Swyngedouw, E. (2005). Governance innovation and the citizen: The Janus face of governance-beyond-the-state. *Urban Studies, 42* (11), 1991-2006.

Teasdale, S. (2012). What's in a name? Making sense of social enterprise discourses. *Public Policy and Administration, 27*(2). 99-119.

Teisman, G.R. (2005). *Publiek management op de grens van chaos en orde, over leidinggevend en organiseren in complexiteit* [Public management on the border of chaos and order, on leadership and management in complexity]. The Hague: SDU.

Teisman, G.R. (1998). *Complexe besluitvorming, een pluricentrisch perspectief op besluitvorming over ruimtelijke investeringen* [Complex decision-making, a pluricentric perspective on decision-making in spatial investments]. The Hague: Elsevier.

Torgersen, U. (1987). Housing: the wobbly pillar under the welfare state. In B. Turner, J. Kemeny, J. & L. Lundqvist (Eds.), *Between state and market: Housing in the post-industrial era (pp. 166-127)*. Gavle: Almqvist and Wiksell International.

Turkington, R., Van Kempen, R., & Wassenberg, F. (2004). *High-rise housing in Europe. Current trends and future prospects*. Delft: DUP Science.

Uitermark, J. (2003). Social mixing and the management of disadvantaged neighbourhoods: the Dutch policy of urban restructuring revisited. *Urban Studies, 40*(3), 531-549.

Van Bortel, G., & Elsinga, M. (2005). Prestaties van woningcorporaties in de stedelijke vernieuwing, case study Den Haag [Performance of housing associations in urban renewal, case study The Hague]. Delft: OTB.

Van Bortel, G., Van Bueren, E., Van Eeten, M., Eslinga, M & Kerpershoek, E. (2007). *Rhetoric of success in Dutch urban renewal: The role of personal chemistry and trust in networks*. Paper presented at the ENHR 2007 conference in Rotterdam.

Van Bortel, G., Mullins, D. & Rhodes, M.L. (2009). Exploring network governance in urban regeneration, community involvement and integration. *Journal of Housing and the Built Environment, 24*, 93-101.

Van Dijk, J. (1999). *The network society: Social aspects of new media*. London: SAGE Publications.

Van den Brink, G., Van Hulst, M., De Graaf, L. & Van der Pennen, T. (2012). *Best persons, en hun betekenis voor de Nederlandse achterstandswijk*. [Best Persons, and their significance for Dutch deprived neighbourhoods]. Den Haag: Uitgeverij Boom Lemma.

Van der Heijden, J. (2002). Social rented housing in Western Europe: Developments and expectations. *Housing Studies*, *39*(2), 327-340.

Van der Pennen, T., & Van Bortel, G. (2015). Exemplary urban practitioners in neighbourhood renewal: Survival of the fittest… and the fitting. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*. June 2015, DOI: 10.1007/s11266-015-9600-4.

Van der Schaar, J. (1987). *Groei en bloei van de Nederlandse Volkshuisvesting*. Growth and prosperity of the Dutch Social Housing]. Delft: DUP.

Van der Schaar, J. (2006). Verzelfstandiging van woningcorporaties *[Deregulation of Housing Associations]*. In: *Raad voor de Volksgezondheid en Zorg* (2006). Dossier management van vastgoed in de zorgsector [Case study Real Estate Management in the Health Sector], 91–130. Zoetermeer: Raad voor de Volksgezondheid en Zorg (RVZ).

Van Gent, W., Musterd, S., & Ostendorf, W. (2009). Disentangling neighbourhood problems: Area-based interventions in Western European cities. *Urban Research & Practice, 2* (1), 53-67.

Verhoeven, I., & Tonkens, E. (2013). Talking Active Citizenship: Framing Welfare State Reform in England and the Netherlands. *Social Policy and Society, 12*(3), 415-426.

Vermeijden, B. (1996). *Stadsvernieuwing '66-'96. Dynamiek in het beleidsdenken*. Delft: TU Delft.

Vermeijden, B. (2001). Dutch urban renewal, transformation of the policy discourse 1960-2000. *Journal of Housing and the Built Environment, 16,* 203-232.

VROM. (1992). *Nota Belstato*. Den Haag: Ministerie van VROM.

VROM. (1997). *Nota Stedelijke Vernieuwing [Urban Renewal Policy paper]*. Den Haag: Ministerie van VROM.

VROM-Raad. (2006). *Stad en Stijging*. [City an Urban Mobility]. Den Haag: VROM-Raad.

VROM-Raad. (2007). *Voorbij of vooruit? Woningcorporaties aan zet*. [Onward or Game over? It's up to the housing associations]. Den Haag: VROM-Raad.

Wassenberg, F. (2010) Towards sustainable urban renewal in the Netherlands.*Open House International, 35*(2), 15-24.

Williamson, O.E. (1975). *Markets and hierarchies*. New York: Free Press.

Whitehead, C., & Scanlon, K. (Eds.) (2007). *Social housing in Europe Vol*. I. London: LSE.

WWI (Ministry of Housing, Neighbourhoods and Integration). (2007). *Actieplan Krachtwijken* [Action plan Empowered Neighbourhoods]. Den Haag: WWI.

WRR (Scientific Council for Government Policy). (2012). *Publieke zaken in een marktsamenleving* [Pubic Sector issues in a market society]. The Hague: WRR.

3 Critical perspectives on network governance in urban regeneration, community, involvement and integration

Abstract

Significant claims have been made about the benefits of network governance and management in securing community involvement and assisting social integration in complex urban regeneration programmes. The move from vertical to horizontal forms of coordination, and the assumption of a more equal power distribution between participants, have been combined with an emphasis on mutuality and trust to present networks as a promising mechanism for pluriform involvement and collective decision-making. Often this promise runs ahead of the evidence of how network governance functions in practice, the opportunities for different actors to influence the process and the often disappointing outcomes of joint decision-making. This special issue contributes to the 'second generation of research on governance networks' by tackling key questions relating to the sources of governance network failure and success. Building on the articles in this special issue, we explore these questions in relation to urban regeneration, community involvement and the integration of minority groups in The Netherlands, Sweden and England. This article reviews the articles in this special issue from the perspective of Klijn and Skelcher's (2007) four conjectures on democracy and governance networks and Sørensen and Torfing's (2007) four conditions for democratic anchorage. It also suggests ways in which the research agenda on networks in urban regeneration, community involvement and integration might be developed.

Keywords:

network governance, urban regeneration, community involvement, social integration.

§ 3.1   **Introduction**

As a result of reforms in public management and governance during the 1980s and 1990s the nature of social housing systems in Europe is changing, replacing hierarchical relationships among actors with market and/or network relations (Mullins & Rhodes, 2007, p.1; Hood, 1991; Kickert & Koppenjan 1997). The renewal of deprived neighbourhoods and low-quality housing stock is an important challenge in social housing throughout Europe and network governance is gaining precedence as mode of decision-making to harness the involvement of relevant actors in these processes. Advocates of network governance highlight the necessity of networked forms of decision-making to manage uncertainty, resolve societal problems, access expertise and enable citizen engagement in a complex society with dispersed power and resources (Koppenjan & Klijn 2004). Significant claims have been made about the benefits and efficiency of network governance in securing community involvement and assisting social integration in complex urban regeneration programs (McLaverty 2002; Van Bortel, Van Bueren, Van Eeten, Elsinga, & Kerpershoek, 2007).

The move from vertical to horizontal forms of co-ordination, and the assumption of more equal power distribution between participants has combined with an emphasis on mutuality and trust to present networks as a promising mechanism for pluriform involvement and collective decision-making. Often this promise runs ahead of the evidence of how network governance functions in practice, the opportunities for different actors to influence the process and the, often disappointing, outcomes of joint decisions. Moreover, there are tensions between network forms of governance and democracy, with the potential for incompatibility, complementarity, transition or instrumentality (Klijn & Skelcher, 2007). The concept of 'democratic anchorage' refers to the relationship between governance networks and democracy and the potential for either loose or close coupling.

There is currently a significant stream of research in progress on network governance in fields such as housing, regeneration and social integration in what has been termed a 'second generation of research on governance networks' (Sørensen & Torfing, 2005, 2007). It is anticipated that this research will produce more critical and nuanced perspectives on the efficacy of different types of network governance in different contexts. We attempted to access some of this research in progress in the fields of housing, regeneration and integration by convening a workshop at the European Network for Housing Research Conference in Rotterdam in 2007 and by working with authors of papers on urban regeneration, community involvement and the integration of minority groups in The Netherlands, Sweden and England to tease out some of the determinants of network success and failure and to develop some more critical perspectives on the analysis of network governance. Secondary analysis of these papers is used to inform our argument in this paper.

We will start by introducing network governance and its relationship to democracy in Section 3.2. In Section 3.3 we consider some critiques of network modes of decision-making. Section 3.4 introduces Klijn and Skelcher's (2007) four conjectures on the relationship between democracy and network governance and the framework developed by Sørensen and Torfing (2007) to explore the notion of democratic anchorage. Section 3.5 introduces the case studies from the housing regeneration and integration fields and assesses their findings in relation to the competing conjectures and democratic anchorage conditions. Our conclusion (Section 3.6) draws out the main points of comparison and proposes some directions for further research on networks in urban regeneration, community involvement and integration in Northern Europe.

§ 3.2 Network governance in urban renewal

The concept of network governance[11] is increasing in prominence. Since the hierarchical power of government is waning in many parts of society, the terms 'governance' and 'networks' are used to describe emerging modes of decision-making. Sørensen and Torfing refer to governance networks as a particular type of network and a particular type of governance (2005, p. 9). They define the following key elements:

1 a relatively stable horizontal articulation of interdependent, but operationally autonomous actors;
2 actors interact through negotiations;
3 negotiations take place within a regulative, normative, cognitive and imaginary framework;
4 the framework is self-regulatory within limits set by external agencies;
5 the framework contributes to the production of public purpose.
   Since the 1990s a considerable body of literature on decision-making in networks has been published (De Bruijn & Ten Heuvelhof 1991; Kickert et al., 1997; Klijn 1997; Koffijberg, 2005; Rhodes, 1997; Scharpf, 1993, 1997; Teisman, 1998). Among others, Klijn (1997), Van Bortel and Elsinga (2007), and Mullins and Rhodes (2007) have begun to explore the growing role played by networks in systems concerning housing and urban renewal policies and programmes.

---

11   In this paper we use both 'network governance' and 'governance networks'. In our opinion the meaning of these terms is almost identical, but 'network governance' places slightly greater emphasis on the decision- making aspect, while 'governance networks' emphasises the institutional aspect.

Some of these researchers claim that markets and hierarchies are replaced by network modes of decision-making due to the complexity of societies and the wicked nature of problems making network governance the only viable option (Koppenjan & Klijn, 2004). Others contend that actors have more freedom to use different coordination mechanisms or even combinations of hierarchy, networks and markets. This is sometimes described as mixed-economy coordination (Bradach & Eccles, 1989). These authors argue that each coordination mechanism has its advantages and disadvantages and the viability of a coordination mechanism depends on the characteristics of the actors involved, the issues at stake and context of decision-making (Entwistle et al., 2007).

§ 3.3 Governance networks: ambiguity and critique

Several related critiques are now beginning to emerge of network governance highlighting its ambiguity and problematic relationship with democracy. First there is the view that in many cases the appearance of interdependent networks masks a reality of continued state dominance and steering. Second is the related critique that inequalities of power within networks can lead to quite hierarchical relationships focused on one or more dominant actors. Third is the more subtle observation that the appropriateness and acceptability of network governance depends on the institutional and political context in which the decision-making takes place. All of this suggests potential conflicts between efficient network governance and accountability and democracy.

Besides the failures of coordination mechanisms and the possible mix of market, networks and hierarchies (Entwistle et al., 2007), there is also discussion on the ambiguous nature of decision-making in governance networks. Rhodes (1997) claims that urban regeneration in the UK is characterised by an interdependent network of state and non-state actors that is undermining the power of the state. Davies (2002) insists that the state is still dominant, even if in a highly mediated form, arguing that 'networks' can better be described as 'partnerships', with asymmetrical power relations still favouring the state. Jones and Evans (2006, p. 1494) see a widespread appeal in different political contexts for the emergence of networks between public and private actors, but conclude that in many cases these partnership arrangements are strongly steered by the state.

Swyngedouw (2005) contends that the emphasis on more participatory governance arrangements is decidedly ''Janus faced'' since networks often favour strong actors over the weaker ones. This is particularly apparent in regeneration and integration

partnerships where community partners often enjoy substantially fewer resources than state or private sector partners and are dependent on the willingness of other network members to hear and respond to their agendas. Mullins and Jones (2007) for example explore the extent to which the enormous differences of power and interests between Refugee Community Organisations (RCOs), housing associations and other partners affect the ability to deliver joint outcomes, even within networks specifically constructed to enable power to be shared.

Discussions on the appropriateness of governance networks versus hierarchical steering are influenced by the context in which decision-making takes place. This can be illustrated by the urban renewal approach taken in Naples, Italy. Bull and Jones (2006) contend that urban regeneration in Naples was not aimed at creating an inclusive governance network based on community involvement, but on strengthening legality and accountability of conventional representative democracy (Bull & Jones, 2006, p. 768). Traditional governance networks in Naples' urban renewal neighbourhoods were of a very particularistic and non-transparent nature. The municipal efforts to replace this with more hierarchical steering and 'command and control' received large public support due to the widely felt revulsion in Italy at clientelism, corruption and organised crime in Naples (Bull & Jones, 2006).

Academic discussions on coordinating mechanisms illustrate that the shift from government to governance is an ambiguous phenomenon. Decision-making in networks of interdependent actors is not always seen as a benign form transcending conflict and power relations, but as an element that can lead to exclusionary and sometimes very particularistic social networks (Mullins & Rhodes 2007). These networks can be efficient, but at the same time profoundly undemocratic and lacking transparency and accountability.

§ 3.4 Bringing democratic anchorage back into governance networks

Network theorists contend that governance networks are a way of responding to complex and wicked societal problems and may be the only viable way of decision-making in a situation with fragmented resources and many interdependent actors (Koppenjan & Klijn, 2004). Though maybe an efficient mode of decision-making, governance network are criticised for their lack of attention to the democratic implications of these networks (Sørensen & Torfing, 2005). Klijn and Skelcher (2007) open up the question of the relationship between network governance and democracy by identifying four distinct conjectures, each with different implications for analysis and practice.

Their first incompatibility conjecture assumes that governance networks conflict with democracy because they are predicated on a different set of institutional rules. Sørensen (2002) identifies four ways in which implicit rules of governance networks may conflict with those of representative democracy: first through a sharing of sovereignty between different levels; second through changing the nature of political representation; third through a more active role for public administrators vis-a`-vis elected representatives; and fourth by blurring the separation between the political system and society. In this view governance networks undermine liberal democracy because they often bypass representative democratic institutions.

Klijn and Skelcher's second complementarity conjecture is more optimistic, seeing governance networks as complementing traditional institutions of liberal democracy, contributing to the development of new forms of democracy, and adapting to greater complexity in the nature of decisions and societal fractures by opening up new opportunities and arenas for citizen engagement around the edges of the representative systems. In this view certain managerial issues may be delegated to networks, whilst elected politicians preserve a 'high policy role' and democratic oversight. Thus rather than undermining democracy, networks may enable wider democratic anchorage, involving more groups at different stages of decision processes from agenda setting to implementation, and thereby building social capital (McLaverty, 2002).

Klijn and Skelcher's third transitional conjecture suggests that we may be seeing a gradual displacement of representative government by network governance. There are interesting implications here depending on whether the shift is a product of external drivers such as globalisation or internal momentum, whereby once power is delegated to networks, elected politicians have great difficulty reclaiming it. If the latter is the case then the reaction of elected politicians is important. Should they resist an inevitable process in which political values and judgements will be more widely shaped? Or should they seek to adapt their own role to an active process management one in which ''democracy is a design task to be implemented in the real life practice of governance networks'' (Klijn & Skelcher, 2007, p. 18).

Klijn and Skelcher's final instrumental conjecture sees networks as instruments used by dominant actors to reinforce and realise their interests rather than as a process of negotiation with other actors. We have already referred to Davies (2002) in support for the conjecture that the state remains the dominant actor in regeneration policy and that horizontal influence is relatively limited in practice. Skelcher et al. (2005) provide a helpful depiction of different types of sub-national governance networks—'clubs' are characterised by strong horizontal influences and mutuality; 'polity networks' involve the creation of new political communities (e.g. election of residents to regeneration boards); meanwhile 'agency networks' come closest to those described by Davies in which the network is shaped by national government and autonomy is limited by

being integrated into vertical performance management systems that dictate and regulate outcomes to meet national targets. Case studies of regeneration partnerships in England by Skelcher et al. (2005) found that over half were closest to the 'agency network' type.

A new generation of post-liberal theorists on democracy support the complementarity conjecture that governance networks might contribute to the democratisation of societal governance (Sørensen & Torfing, 2005, p. 200). But governance networks can only have a positive effect on the democratic functioning of society if these networks are themselves democratic. Sørensen and Torfing (2005, pp. 201–213) suggest measuring the democratic performance of governance networks in terms of democratic anchorage. Their criteria for network governance to complement democracy and maintain democratic anchorage are that governance networks should:

1   be subject to control by democratically elected politicians through network design, framing and participation;
2   represent the membership basis of the participating groups and organisations;
3   be accountable to the territorially defined citizenry; and
4   follow the democratic rules specified by a particular grammar or conduct.

§ 3.4.1   Anchorage in democratically elected politicians

The basic rationale of the anchorage of governance networks in democratically elected politicians is to make sure that the outcomes in these networks are in line with the popular will expressed by the political majority in elected assemblies. To do this one needs to rethink the notion of political control. Unconstrained overruling of decisions made in governance networks is not compatible with one of the main characteristics of governance networks: their capacity for self-regulation. Therefore political control has been redefined as the concept of meta-governance. Meta-governance can be described as the attempts of politicians, administrators or other governance networks to construct, structure and influence the game-like interaction within governance networks. Meta-governance facilitates and constrains the decision-making processes in self-regulation networks without using hierarchical control. However, network governance always takes place in the 'shadow of hierarchy' because meta-governance is in last instance sustained by the underlying threat of government interventions. Based on Kickert and Koppenjan (1997, p. 53) Sørensen and Torfing (2005, pp. 203–204) distinguish three different forms of meta-governance: (1) network design, (2) network framing and (3) network participation.

Network design involves attempts to influence which actors participate in specific governance networks and to selectively empower some actors by giving them important resources that turn them into key players in the network. Network framing involves the formulation of goals and objectives pursued by governance networks. Network framing can include the allocation of resources and the legal framework to guide the interactions within the governance network. Network participation involves direct participation of elected politicians in order to get first-hand knowledge of the network process and exert their political authority.

§ 3.4.2 Anchorage in the membership basis of participating groups and organisations

In order to obtain democratic legitimacy, groups and organisations participating in governance networks should constitute a fair representation of directly affected people. Based on Pitkin (1967) and Laclau (1993), Sørensen and Torfing (2005, p. 205) contend that the classical notion of representation (an unbiased one-to-one representation of a pre-given interest or preference in network-based decision-making) is problematic and theoretically flawed. There will always be discrepancies between the way opinions are articulated by those who are represented and the way representation is constructed in the governance network: the performative act of representation. The crucial question is whether those whom the representatives claim to represent identify with the discursive form of representation. Sørensen and Torfing (2005, p. 207) divide the democratic anchorage of representation in three aspects: (1) the ability of members of a group to select and instruct their representatives, (2) the ability of members to form an informed opinion about their representatives' performance in the governance network and (3) to express different opinions and criticise the representatives' performance in the governance network. The main challenge is to balance the pre-given mandate of representatives with the freedom to negotiate in the decision-making process. If representatives are tied 'by hands and feet' it is almost impossible to participate in the give and take forms of decision- making in networks.

§ 3.4.3 Anchorage in a territorially defined citizenry

Governance networks must not only include representatives of all the people directly affected by decisions, they must also be accountable to a wider citizenry, which is affected indirectly. In the example of urban renewal networks territorially defined citizens and communities should be able to hold the governance network accountable for its policy output and outcomes. The classical notion of public accountability is

difficult. Network actors cannot be expelled at the next election because they are not elected but (self-) appointed, and since there might not be anybody to replace them. For instance a housing association mismanaging an urban renewal project cannot be removed because they often own significant assets within the neighbourhood. Often the problem is not so much the removal of such interests, but their activation to get involved within these territorially based networks by attracting their attention from other networks and policy games that they may be involved in.

Sørensen and Torfing argue that these difficulties should not prevent one from seeking solutions to facilitate public contestation of decisions made by governance networks. Public contestation basically involves a public account by the governance network of why, how and with what result they did what they did. Furthermore, they must engage in public dialogue with critical citizens. If participation of citizens remains wanting, critical opponents can also be found in mass media, scientific and professional organisations, interest organisations, social movements and other governance networks (Sørensen & Torfing, 2007, pp. 209–210). Public contestation can only succeed if three crucial requirements are met: (1) transparency by the governance network in presenting decisions and results in a comprehensive, informative and for lay people accessible format, (2) access of citizens or other stakeholders to a public dialogue with the governance network and (3) responsive- ness on the part of the governance network without scorn, ridicule or other dismissive attitudes towards critical opponents.

§ 3.4.4 Anchorage in democratic rules and norms

Internal processes and interactions within governance networks should live up to commonly accepted democratic standards, rules and norms. Sørensen and Torfing (2005, p.212) point out that these rules are subject to endless contestation. Furthermore they contend that rules are structurally ambiguous and can only be followed through re-articulation and re-enactment. So any list of rules and norms is by definition incomplete. Sørensen and Torfing mention three kinds of normative regulations that relate to the formation, functioning and output of governance networks: (1) inclusion of all relevant and affected actors and the construction of an open-ended policy discourse, (2) democratic deliberation based on voice and exit, respect for other people's opinions, commitment to reach a 'rough' consensus (which includes the possibility to 'agree to disagree'), transparency about the terms of the debate, (3) government networks must improve the future system of governance by enhancing social and political justice, empower participating actors and stimulate an active search for new forms of democracy to improve public decision-making processes.

§ 3.5 Democratic anchorage in housing, regeneration and integration networks

§ 3.5.1 Introducing the cases

Governance networks and the network approach to analyse decision-making in governance networks are getting more prominent in housing studies, especially in complex decision- making processes like urban regeneration and social integration. The focus in these studies is still very much on the efficiency and effectiveness of policies, decision-making processes and their outcomes. The management of governance networks has only recently become an important theme in this research (see Mullins & Rhodes, 2007). Even fewer studies have yet begun to explore the democratic anchorage of governance networks, but this would be an important development in this research field. We will use Klijn and Skelcher's four conjectures and Sørensen and Torfing's four democratic anchorage points to critically assess the level of democratic anchorage in five case studies derived from the articles in this special issue [see Table 3.1 below].

TITLE	AUTHORS
Papers on urban renewal and community involvement	
Steering local housing production: evaluation of the performance of governance structures [§ 3.5.2]	Buitelaar, E and De Kam, G.
Deadlocks and breakthroughs in urban renewal: a network analysis in Amsterdam [§ 3.5.3]	Haffner, M. and Elsinga, M.
Network governance in action: the case of Groningen. Complex decision-making in urban renewal [§ 3.5.4]	Van Bortel, G.
Papers and refugee integration	
Refugee integration and access to housing, a network management perspective [§ 3.5.5]	Mullins, D. and Jones P.
Neighbourhood network governance, ethnic organization, and the prospects for political integration [§ 3.5.6]	Hertting, N.

TABLE 3.1 Overview of papers used for the secondary analysis (Drafts of these articles were presented at the 2007 conference of the European Network of Housing Research in Rotterdam

All papers discuss decision-making processes in housing systems, some explicitly use network governance frameworks to analyse decision-making. Additionally almost all papers have in common that relatively weak actors were part of the decision-making process, or their position in urban renewal governance networks was an issue.

Four papers contain research results on urban renewal including community involvement. Two papers focus on social integration issues relating to refugee communities and urban renewal.

§ 3.5.2

§ 3.5.2   Urban renewal, Arnhem

In the urban renewal project described by Buitelaar and De Kam (2007) the local authority and a private investor developed plans for a specific brown field location in the city of Arnhem in The Netherlands. The municipality and the private developer had deliberately chosen not to include residents in the first stages of the planning process and wanted to adapt a 'design-announce-defend' approach because they wanted to check the feasibility of the plan before going public. The local authority assumed that the neighbouring residents would be content with the planning outcomes because the plan included the replacement of a supermarket (removing all the nuisances attached with these kinds of facilities) with housing.

Strong opposition from neighbouring residents emerged after public presentation of the plans. The alderman responsible for this project nevertheless decided to start the formal planning procedure to enable the execution of the plan. However, the city council's planning committee (consisting of elected local politicians) refused to submit the plans for formal approval due to the opposition of residents. Consequently the planning had to start all over again in a more participatory way with adapted municipal goals. Buitelaar and De Kam's reconstruction of decision-making in Arnhem creates the impression that including residents in the planning process was not intended to give residents' objectives full attention. The city assumed that resident participation would result in a better supported plan that would pass formal planning procedures more quickly and would lead to lesser claims for planning damage compensation. Adaptations of the plan originating from residents are described as 'a price to be paid' and 'buying consent' and not as natural outcomes of a democratically anchored policy process.

This case provides an example of an initial perception of incompatibility between democracy and network governance. It traces a gradual transition from one to the other as elected politicians responded to opposition. They did so by invoking meta-governance tools. These were used to influence network design through giving residents a stronger position and by using their hierarchical power not to start formal approval procedures until the objections of residents were properly addressed. This led to a different network framing because the municipal goals for the redevelopment area were modified to accommodate the residents' objectives.

83   Critical perspectives on network governance in urban regeneration, community, involvement and integration

TOC

§ 3.5.3 Urban renewal, Amsterdam

The paper by Haffner and Elsinga (2007) describes the deadlocks and breakthroughs in the urban renewal of two neighbourhoods in Amsterdam North. Policy development became bogged-down because residents and the housing associations were not able to reach an agreement on the urban renewal interventions. The closedness of actors to each other's arguments and objectives prevented a fruitful dialogue. Each actor commissioned their own report from external experts to prove that the other actors were wrong. The project also had a difficult start because residents were initially not involved in the planning decisions and had to contest the plans developed by the housing association from outside the governance network. This contrasts with Sørensen and Torfing's democratic anchorage criterion that groups and organisations participating in governance networks should constitute a fair representation of directly affected people. The difficulties in reaching an agreement on urban renewal interventions in Amsterdam North are perhaps surprising considering that the authors describe the 'culture of compromise' as a typical Dutch phenomenon.

To escape the impasse in the governance network and on initiative of elected politicians of the district council of Amsterdam North, a special negotiation team was formed with independent chairs and representatives from all parties involved (local authority, residents and housing associations). An explicit set of rules was agreed upon to facilitate decision-making but also to increase the level of democratic anchorage. To make sure tenants could fully participate in decision-making professional actors (e.g. housing associations and local authority) agreed not to use technical jargon and to be open and forthcoming about the pros and cons of proposals. Actors had to commit themselves to working towards consensus and to respect and try to understand the viewpoints of other actors.

This case could also be interpreted as a shift from a hierarchical to a network governance perspective by powerful actors and the adoption of meta-governance tools. Perhaps for instrumental reasons to maintain their own interests, elected politicians decided to redesign part of the network (by introducing the negotiation team and making tenant representatives part of the network); they also emphasised democratic norms of negotiation.

§ 3.5.4 Urban renewal charter, Groningen

The paper by Van Bortel (2007) analysed decision-making on urban renewal policy in the city of Groningen in the North of The Netherlands. The paper focused on the recent renewal of an urban regeneration charter between the local authority and housing

associations. Collaboration between these parties on urban renewal issues goes back more than a decade but lately became, according to Van Bortel, more complicated due to an expanding number of policy issues that are included in urban renewal policy. From a very 'bricks-and-mortar' approach urban renewal now also includes more social (e.g. social cohesion, health issues, crime prevention) and economic objectives (e.g. tackling long- term unemployment). The increasing number of policy issues and actors involved in the decision-making led to conflicts and stagnation of decision-making. To overcome this decision-making impasse a number of meta-governance interventions were taken targeting network design, network framing and network participation. Interventions were aimed at organising a special 2-day policy conference in 2006 to bring all relevant actors together from the local authority administration and housing associations to discuss hot issues that blocked the renewal of the urban regeneration charter. This form of network design was specifically envisaged to include officials from different hierarchical levels and participating organisations to facilitate more lateral interactions. So not only the chief executives of housing associations and top level civil servants from municipal departments, but also officials from secondary hierarchical levels in the organisations attended the policy conference. Citizens from Groningen did not participate in this round of decision-making, but it was clear from the outset that citizens would be consulted on the outcomes of the policy conference and the text of the new urban renewal charter.

In this case there was from the start an expectation that network governance would complement democracy, but the emergence of blockages between the network actors led to meta-governance interventions in which elected politicians (the three aldermen responsible for the policy fields that were involved in the new urban renewal charter) had an important role in the design (e.g. the structure of the policy conference and its participants) and the framing (e.g. the aims) of the policy conference. In addition the aldermen also participated in the decision-making at crucial moments during the policy conference.

§ 3.5.5   **Accommodate programme, refugee integration, England**

Mullins and Jones' (2007) paper on the Accommodate project contains several examples of initiatives to increase democratic anchorage in five local partnerships by improving housing and support options for refugees, empowering RCOs, and changing housing policies. The Housing Associations Charitable Trust (hact) partly funded the local partnerships and was a central actor in the governance network. Hact is described in the paper as an ''ace networker'' that undertook several meta-governance initiatives based on the belief that real benefits could be achieved by building partnerships between newly formed RCOs and Housing Associations at the local level in five cities.

The project aimed at increasing refugee groups' capacity to engage in partnerships and local decision-making processes and create a sustainable leadership for these organisations.

The accommodate project connects well to several points of democratic anchorage as described by Sørensen and Torfing. Hact was very active in meta-governance activities by deciding on the aims of the Accommodate project (network framing) and the actors that could participate (network design). These meta-governance interventions by hact were only loosely coupled with local democratic structures in the five cities and failed to engage directly with private landlords, who are the largest providers of housing for asylum seekers and refugees. However, they contributed to democratic anchorage by empowering RCOs to engage productively with much stronger Housing Associations. The local Accommodate partnerships also promoted another (post-liberal) democratic norm: accountability. Actors were not only accountable to hact as funder, but also to their local partners. Hact was active in emphasising democratic norms, creating a common vision and negotiating rather than imposing operating procedures on the five local partnerships.

Steering in the 'shadow of hierarchy' clearly played a part in the Accommodate project. Mullins and Jones contend that part of the reason for the programme was a perceived failure of the democratic process to manage the relationship between refugee integration and housing policies. The dominant position of Hact was not based on democratic legitimised power but on its value stance as a relationship funder. The goals of the Accommodate project were influenced by hact's national policy but also by its own dependence on grant givers such as the Big Lottery, Caloust Gulbenkian Foundation and the European Refugee Fund with whom a priori goals are agreed.

In this case there was a strong emphasis on the compatibility of network governance with democracy and on stimulating democratic practice within the network. Hact is the dominant actor in the Accommodate governance network and uses network instruments (like focusing on common interest, reciprocity and horizontal forms of collaboration) not because it is forced to do so due to interdependencies, but as part of its values and ethos.

§ 3.5.6 **Prospects for political integration of ethnic organisations in Sweden**

Hertting (2007a) takes a closer look at ethnic organisations and their capacity to increase their political influence in neighbourhood governance networks. This subject is closely connected with Sørensen and Torfing's fourth democratic anchorage point: democratic rules and norms. Hertting presents two different mechanisms for political integration through ethnic organisations: (1) the collective articulation mechanism and (2) the individual development mechanism.

Hertting begins by describing well-established structures of network modes of decision- making in urban regeneration and integration policy in Sweden. He illustrates this with examples from Botkyrka, a suburban city near Stockholm. Additional—clearly post-liberal—network modes of democratic participation have been introduced in this city. Elected politicians from the local council are developing neighbourhood dialogue forums for residents. This initiative is a clear example of meta-governance where elected politicians both shape and participate in governance networks.

Hertting contends that participation of ethnic minority groups in urban renewal can induce a more professional and centralised organisation within ethnic associations themselves. In order to perform their role, association leaders must be able to take part in sometimes very complex negotiations with full-time officials from local authorities and social landlords. Network negotiators from ethnic minority organisations need strategic skills and discretionary power in order to successfully negotiate in networks. This can lead to a split between these representatives/negotiators and the members they represent thereby weakening the democratic anchorage in the membership basis of participating groups and organisations. Somewhat paradoxically it seems that efficient network governance both enhances and is enhanced by hierarchical structures within the networking organisations (see Hertting, 2003, p. 95[12]). There appears to be a trade-off between the networking power of an ethnic minority organisation, requiring a degree of centralisation, and the democratic participation of members of the association.

Ethnic minority organisations participating in governance networks can work as a 'school of democracy' and form an arena for promoting political skills, political efficacy, self-confidence, contact networks and trust in other individuals and in collective decision-making in general and thereby strengthen democratic norms and values. Hertting contends that the development of these skills and values is heavily dependent on the mode of interaction within the ethic minority organisations. Ethnic associations that encourage participation of their members produce political development skills, but to be successful in network negotiations, these organisations require centralisation and professionalism that could restrict the possibilities to practise skills of members in real decision-making. Hertting identified a more indirect form of transfer of political and democratic skills, based on sub-elite integration (Etzioni-Halevy, 1993) According to this line of argument, political efficacy, trust and skills developed among representatives in governance networks will spread downwards within the represented groups.

---

12   The original article contains a reference to Hertting's (2003) PhD-thesis, in Swedish. More accessible English-language references on Hertting's work on policy games in neighbourhood regeneration networks are: Hertting (2007b), and Bengtsson & Hertting (2014).

Hertting concludes that there are both potentials and problems attached to the participation of ethnic minority groups in neighbourhood governance networks. He notes that participation of these groups can increase collective and individual political and democratic skills and values and thereby increase democratic anchorage. This suggests that while network governance can be seen as compatible with democracy, there are subtle ways in which instrumental forces begin to transform the nature of the agents involved in governance networks that can work to undermine their own democratic practices.

§ 3.6   Conclusions

We have used the four conjectures put forward by Klijn and Skelcher (2007) and the four criteria for democratic anchorage as described by Sørensen and Torfing (2005) to assess the policy development in the articles. The outcomes of this assessment are mixed and necessarily limited by the evidence available from secondary research papers based on a variety of theoretical positions and methodologies. However, we believe that this analysis provides a useful way of exploring and synthesising existing work on the topic of network governance in housing, regeneration and integration in Northern Europe.

Taking the four conjectures first [see Table 3.2] we may distinguish between the starting point of the key actors involved in the case studies and the changes that emerged as these case studies developed.

Key actors in some case studies started from a clear perception of complementarity between democracy and network governance (notably the Groningen regeneration case study in The Netherlands, the regeneration and integration policy case study in Botkyrka, Sweden and the Accommodate refugee partnership model in England). In other cases there appears to have been an initial reluctance by powerful state and non-profit actors to engage with network forms of organisation, perhaps because of a perceived incompatibility with democracy (in Arnhem and in Amsterdam). It appears that such network organisation as existed operated in the shadow of hierarchy.

Cases	Authors	1 Incompatibility conjecture	2 Complementary conjecture	3 Transitional conjecture	4 Instrumentality conjecture
Urban Renewal, Arnhem	Buitelaar, E and De Kam, G.	+ Initially	Over time	Over time	Meta-governance interventions reinforce democratic influence
Urban Renewal, Amsterdam	Haffner, M. and Elsinga, M.	+ Initially	Over time	Over time	Meta-governance interventions reinforce democratic influence
Urban Renewal, Groningen	Van Bortel, G.	-	++ Throughout	Meta-governance interventions to resolve blockaged	-
Accommodate project, England	Mullins, D. & Jones, P.	-	++ Throughout process	Over time	Successful network interventions aim to overcome democratic failure
Political Integration, Sweden	Hertting, N.		++ Throughout process	Over time	Successful network integration changes nature of ethnic organisation

TABLE 3.2 Conjectures on democracy and network governance: positioning the case studies

However, the case studies indicate that such relationships do not remain static, but can be subject to change. Evidence of transition over time towards more network-based approaches was found in several of the case studies. In both Arnhem and Amsterdam this took the form of intervention by elected members to activate resident interests in decision-making using meta-governance network management tools. In Groningen too elected politicians became involved in meta-governance but in this case to overcome blockages that had arisen within a complementary model of network governance and democracy. While such interventions are consistent with the complementarity conjecture, there is a suspicion that in some cases (e.g. Amsterdam) there was a more instrumental interest by politicians in restoring their own dominance in decision processes rather than in oiling the wheels of collaborative networks. The Swedish case study provides a further example of transition to network governance and instrumentalism, but in this case the very success of engagement between democracy and integration networks had produced a change in the nature of the minority ethnic organisations engaging in these networks. In order to engage in conformance with external democratic and network processes, minority ethnic organisations were being transformed internally into more hierarchical and less democratic organisations.

Overall, the case studies appear to indicate a degree of complementarity between network governance and democracy. Meta-governance approaches by elected authorities and in one case by an external agency (hact) emerged to manage transitions from democratic to network forms of organisation and to overcome blockages that had arisen in the absence of strong hierarchical steering. If this evidence for the complementarity conjecture holds true, then it is relevant and important to go on to explore conformance with Sørensen and Torfing's criteria for democratic anchorage of governance networks [see Table 3.3]. We agree with Sørensen and Torfing (2005, p. 214) that demanding a perfect and uncompromising compliance with all rules and norms at all times might seriously damage the efficiency of decision-making. So it is important to find a pragmatic balance between efficiency and democracy.

Cases	Authors	1 Anchorage in democratically elected politicians	2 Anchorage in membership basis of participation groups and organisations	3 Anchorage in a territorially defined citizenry	4 Anchorage in democratic rules and norms
Urban Renewal, Arnhem	Buitelaar, E and De Kam, G.	++	n/a	n/a	-
Urban Renewal, Amsterdam	Haffner, M. and Elsinga, M.	++	+	+	++
Urban Renewal, Groningen	Van Bortel, G.	+	+	+	n/a
Accommodate project, England	Mullins, D. & Jones, P.	-	+	+	++
Political Integration, Sweden	Hertting, N.	++	+	+	++

TABLE 3.3 Democratic anchorage assessment of case studies
Note that not all cases covered the four democratic anchorage points. In these cases we have used the qualification non-available (n/a)

The two papers on refugee and ethnic minority participation (in England and Sweden) focused on improving capabilities of marginalised groups to participate in governance networks. In both cases network design initiatives were used to strengthen the position of minority groups within the governance network. In Botkyrka alignment with external democratic structures had interesting implications for democratic practice within minority community organisations as discussed above. In contrast with the Swedish case, the English Accommodate project meta-governance initiatives did not originate from elected politicians but from a relationship with a funding organisation, hact, operating at national level but aiming to facilitate local political integration. The democratic mandate of hact is not clear; however, Mullins and Jones suggest that it was

in 'the right place at the right time' to bridge the gap between refugee dispersal and housing policy that had emerged in the English political system where there appeared to have been a 'failure of political will' to make these links. Moreover, hact enjoyed strong legitimacy with both the refugee community and housing sectors as a result of 45 years of work with both sectors and its commitment to ''pioneer housing solutions for people on the margins''.

The Arnhem case presents a more liberal democratic viewpoint on the role of elected politicians. City administration officials in this case initially undertook the redevelopment of the infill site in collaboration with a project developer. Elected politicians from the city council used formal planning procedures to include residents in the governance network. It appears that professional actors found the inclusion of residents in the governance network more of a burden than a blessing. Adaptations to the plan originating from resident involvement were described as 'a price to be paid' and as 'buying consent', not as natural outcomes of a democratically anchored policy process.

In Amsterdam there was a clearer commitment to meta-governance interventions to promote engagement with residents by agreeing more inclusive rules such as consensus working and plain speaking by officials.

The Groningen case showed a clear commitment to territorially based anchorage in each of the priority neighbourhoods. A prior commitment to network governance led to a democratic intervention to overcome blockages between professional actors prior to further engagement with the citizens. However, because the case study focused on this stage of the process there was little evidence of anchorage in democratic rules and norms. It was anticipated that this would follow through consultation on the text of a new urban renewal charter.

There is an emerging research agenda which it is important to build on to develop more sophisticated and nuanced accounts of network governance and the relationship with democracy. We believe that the following learning points need to be taken into account by researchers in the field of housing, regeneration and integration. First, accounts should identify the extent to which network governance operates in practice and the extent to which networks operate 'in the shadow of hierarchy' as appeared to be the case in at least two of the case studies explored here. Second, we need to explore the extent to which network governance is seen by the actors involved as incompatible or complementary to democracy and how these views change over time. It is important to identify the a priori assumptions and to distinguish these from patterns that emerge as policy games develop within governance networks. Third, it is important to gather evidence of the ways in which networks are linked to democracy both in terms of system linkages and organisational practices.

Inevitably our attempt to apply these principles to analysis of studies that had been conducted with rather different goals and methods raises possibilities of misinterpretation. We are also conscious of the rather narrow empirical base of these secondary accounts covering just three Northern European states. However, we hope that further work will now be undertaken in a wider range of contexts to develop critical second generation of research on network governance within the field of housing, regeneration and integration.

References

Bengtsson, B. & Hertting, N. (2014). Generalization by mechanism: Thin rationality and ideal-type analysis in case study research. Philosophy of the Social Sciences, 44(6), 707–732.

Bradach, J.L., & Eccles, R.G. (1989). Price, authority and trust; from ideal types to plural forms. Annual Review Sociology, *15*, 97–118.

Buitelaar, E., & De Kam, G. (2007). *Steering local housing production: evaluation of the performance of governance structures*. Paper presented at the ENHR 2007 conference in Rotterdam.

Bull, A.C., & Jones, B. (2006). Governance and social capital in urban regeneration: A comparison between Bristol and Naples. *Urban Studies, 43*(4), 767–786.

Davies, J.S. (2002). The governance of urban regeneration: A critique of the governing without government thesis. *Public Administration, 80*(2), 301–322.

De Bruijn, J.A., & Ten Heuvelhof, E.F. (1991). *Sturingsinstrumenten voor de overheid; over complexe netwerken en een tweede generatie sturingsinstrumenten* [Steering instruments for the state, on complex networks and second generation steering instruments]. Leiden: Stenfert Kroese.

Entwistle, T., Bristow, G., Hines, F., Donaldson, S., & Martin, S. (2007). The dysfunctions of markets, hierarchies and networks in meta-governance of partnership. *Urban Studies, 44*(1), 63–79.

Etzioni-Halevy, E. (1993). *The elite connection. Problems and potential of Western democracy*. Cambridge, MA: Polity Press.

Haffner, M., & Elsinga, M. (2007). Paper presented at the ENHR 2007 conference in Rotterdam.

Hertting, N. (2003). *Samverkan på spel. Rationalitet och frustration i nätverksstyrning och svensk stadsdelsförnyelse* [Games local actors play: Rationality and frustration in network governance and Swedish neighbourhood renewal]. Stockholm: Egalité.

Hertting, N. (2007a). *Ethnic organization, network governance and the prospects for political integration*. Paper presented at the ENHR 2007 conference in Rotterdam.

Hertting, N. (2007b). Mechanisms of governance network formation: A contextual rational choice perspective'. In J. Torfing and E. Sørensen (eds) Theories of Democratic Network Governance. Basingstoke: Palgrave Macmillan.

Hood, C.C. (1991). A public management for all seasons. *Public Administration, 69*(1), 3–19.

Jones, P., & Evans, J. (2006). Urban regeneration, governance and the state: Exploring notions of distance and proximity. *Urban Studies, 43*(9), 1491–1509.

Kickert, W.J.M., Klijn, E.H., & Koppenjan, J.F.M. (Eds.) (1997). *Managing complex networks; strategies for the public sector.* London: Sage Publications.

Kickert, W.J.M., & Koppenjan, J.F.M. (1997). Public management and network management: An overview. In W.J.M. Kickert, E.H. Klijn, & J.F.M. Koppenjan (Eds.), *Managing complex networks; strategies for the public sector (35-61).* London: Sage Publications.

Klijn, E.H. (1997). Policy networks: An overview. In W.J.M. Kickert, E.H. Klijn, & J.F.M. Koppenjan (Eds.), *Managing complex networks; strategies for the public sector (14-34).* London: Sage Publications.

Klijn, E.H., & Skelcher, C. (2007). Democracy and governance networks, compatible or not? *Public Administration, 85*(3), 587–608.

Koffijberg, J. (2005). *Getijden van beleid: Omslagpunt in volkshuisvesting. Over de rol van hierarchie en netwerken bij grote veranderingen* [Tides of policy: Turning points in public housing. On the role of hierarchy and networks in the management of change]. Delft: Delft University Press.

Koppenjan, J.F.M., & Klijn, E.H. (2004). *Managing uncertainties in networks.* London: Routledge.

Laclau, E. (1993). Power and Representation. In M. Poster (Ed.), *Politics, theory and contemporary culture* (pp. 277–296). New York: Columbia University Press.

McLaverty, P. (Ed.) (2002). *Public participation and innovations in community governance.* Aldershot: Ashgate.

Mullins, D., & Jones, P. (2007). *Refugee integration and access to housing - A network management perspective.* Paper presented at the ENHR 2007 conference in Rotterdam.

Mullins, D., & Rhodes, M.L. (2007). Editorial special issue on network theory and social housing. *Housing Theory and Society, 24*(1), 1–13.

Pitkin, H.F. (1967). *The concept of representation.* Berkeley: University of California Press.

Rhodes, R.A.W. (1997). *Understanding governance: Policy networks, governance, reflexivity and accountability.* Buckingham: Open University Press.

Scharpf, F.W. (Ed.) (1993). *Games in hierarchies and networks: Analytical and empirical approaches to the study of governmental institutions.* Frankfurt am Main: Campus-Verlag; Boulder, CO: Westview Press.

Scharpf, F.W. (1997). *Games real actors play: Actor-centered Institutionalism in policy research.* Boulder: West-view Press.

Skelcher, C., Mathur, N., & Smith, M. (2005). The public governance of collaborative spaces: Discourse, design and democracy. *Public Administration, 83*(3), 573–596.

Sørensen, E. (2002). Democratic theory and network governance. Administrative Theory and Praxis, *24*(94), 693–720.

Sørensen, E., & Torfing, J. (2005). The democratic anchorage of governance networks. *Scandinavian Political Studies, 28*(3), 195–218.

Sørensen, E., & Torfing, J. (Eds.). (2007). Theories of democratic network governance. London: Palgrave- Mac-Millan.

Swyngedouw, E. (2005). Governance innovation and the citizen: The janus face of governance-beyond-the-state. *Urban Studies*, *42*(11), 1991–2006.

Teisman, G.R. (1998). *Complexe besluitvorming, een pluricentrisch perspectief op besluitvorming over ruim-telijke investeringen* [Complex decision-making, a pluri-centric perspective on decision-making in spatial investments]. The Hague: Elsevier.

Van Bortel, G.A. (2007). *Network governance in action: The case of Groningen*, paper presented at the ENHR 2007 conference in Rotterdam.

Van Bortel, G.A., & Elsinga, M.A. (2007). Network perspective on the organization of social housing in The Neth-erlands: The case of urban renewal in The Hague. *Housing Theory and Society, 24*(1), 32–48.

Van Bortel, G., Van Bueren, E., Van Eeten, M., Elsinga, M., & Kerpershoek, E. (2007). *Rhetoric of success in Dutch urban renewal: The role of personal chemistry and trust in networks.* Paper presented at the ENHR 2007 conference in Rotterdam.

4 'Change for the Better?' making sense of housing association mergers in the Netherlands and England

Abstract

Mergers among housing associations have become a frequent phenomenon in both the Netherlands and England. The general literature on mergers highlights the need for research to consider the wider political and business environment, managerial motives and strategic choices, to adopt a process perspective and to evaluate outcomes in relation to competing definitions of goals and success criteria. This article applies these perspectives to consider drivers for and experience of housing association mergers in the Netherlands and England, competing motivations such as efficiency savings in relation to borrowing and procurement costs, improved professionalism and organisational capacity and external influence. We discuss the pace and motivations of mergers, the expected positive and negative effects, and actual outcomes. We focus on the impact of mergers on stakeholder satisfaction, housing production and operational costs. Based on our findings we discuss the implications for policies and practice in both countries. Our main conclusion is that the relationship between the size of housing associations and their performance is not straightforward. This is partly because large and small associations are generally trying to do different things in different ways and have contrasting strengths and weaknesses; thus judgements about whether mergers and concentration of ownership in third sector housing is a change for the better are dependent upon considerations of underlying purposes and success criteria.

Keywords

housing associations, mergers, motives, process, outcomes.

Introduction

Mergers have become a key feature of the restructuring of third sector housing in both the Netherlands and England. In the Netherlands the number of housing associations declined by more than 50% and the average number of dwellings per organisation increased from around 3 000 in 1997 to 5 600 in 2008. In England the average size of housing associations doubled in the past 10 years. In both countries there has been a process of concentration of ownership, which in some ways resembles the merger process in the private sector. However, a key difference from the private sector is that third sector organisations are not subject to 'hostile takeovers' since their shares are not traded on the market. Third sector organisations have no shareholders that could coerce their management into a merger.

A similarity between the housing associations and the private sector is that mergers frequently fail to deliver the promised results. Organisations often do not operate in a more efficient, effective or more customer-focused manner after a merger. Still the process of mergers in third sector housing is ongoing. So lacking shareholders and hostile take-overs that could drive this concentration in the not-for-profit housing sector, what are the forces underpinning this development and what are the impacts?

In this paper we want to explore the drivers and motivations for mergers among housing associations and the impact of mergers and organisational scale on their performance. We do this by presenting a preliminary analysis of the trends, patterns and implications of housing associations mergers based on work that has been conducted in parallel so far by researchers of third sector housing in England and the Netherlands. In Section 4.2 we discuss some key themes in the research literature on mergers in general to consider the position of mergers in third sector housing. Section 4.3 draws on research on the drivers, motives and anticipated effects of mergers in the two countries. Then it reviews in some detail existing and new evidence on outcomes of mergers in third sector housing, i.e. the impact on service delivery, operating costs and housing production [Section 4.4]. In Section 4.5 we discuss possible explanations for unsuccessful mergers. In our conclusions [Section 4.6] we reflect on the implications of our findings for policy in different contexts, contrasting the high levels of policy steering in England with the much less regulated context in the Netherlands. We then suggest a potential research agenda that might enable comparative research to stimulate organisational and policy learning and promote change for the better in both countries.

Methodological considerations

This is a first attempt to bring together evidence on a complex process of organisational and sectoral change in two different housing systems with distinct legal and

institutional contexts; although there has been earlier comparative work on related topics such as performance measurement (Walker and Van der Zon 2000). In the light of these differences, the findings are tentative and would benefit from further refinement in a comparative research study with a common methodology. However, institutional variations and problems associated with differing administrative datasets and definitions would still constrain comparison. Furthermore, since we are reliant mainly on interpreting findings from earlier studies in each country, as is often the case with such systematic evidence reviews, differences in findings may simply indicate the different research questions and methodologies adopted in the source studies. One small example of this is the emphasis in some of the English literature on the process of merger and the implications of choices made at an early stage in relation to strategic and cultural fit for long-term success (Jemison & Sitkin, 1986; Cowin & Moore 1996; Mullins 2000). This emphasis seems less prevalent in the Dutch literature and it is therefore difficult to make direct comparisons without comparable case study research. Nevertheless, it is apparent that similar questions are being asked about the drivers, outcomes and policy implications of merger activity (Audit Commission and Housing Corporation, 2001; Davies et al., 2006; Van Veghel, 1999; Cebeon, 2006). It is useful to review these prior to making some recommendations for a future agenda to accelerate learning through comparative research. In addition to published studies on mergers cited in this paper, our research base includes an analysis of previously unpublished performance data[13] interviews from a number of more general research projects[14] and engagement with senior managers[15]

§ 4.2 **Mergers in third sector housing; learning from the wider research literature**

Mergers are nothing new, neither among commercial enterprises nor within the third sector. There is an extensive literature on the motives, process and outcomes of mergers in the private sector (Hubbard, 1999; Jemison & Sitkin 1986), a key message of which is the high proportion of mergers that fail to increase shareholder value,

---

13   KWH—results of quality measurements gathered over several years, based on quality labels developed by KWH to assess landlord services, tenant and wider stakeholder involvement.

14   Delphi Panel study of English Housing Associations 1997–2004 (see Mullins 2006a for details, David Mullins' interviews with 20 Dutch HA directors 2007 (unpublished).

15   e.g. Mergers Masterclass at University of Birmingham December 2006, and work with National Housing Federation members 2004/2005.

partly as a result of the limited consideration given to post-merger implementation planning. Recent attention has been extended to mergers in the public and third sectors (Cornforth, 1994; Cowin & Moore 1996) and similar stories of variable success and focus apply. Mullins (1999, 2000) has identified some relevant features of this literature for studying mergers in third sector housing.

Four main features may be summarised here. The first is the need to consider the wider business and political environment in creating the climate for merger (Hubbard 1999). Private sector mergers tend to occur in waves reflecting disturbances or changes in the external environment usually related to the economic cycle. Analysis later in this paper shows similar patterns in the English housing association sector where policy and regulatory influences are strong drivers. The second is the need to consider managerial motives and strategic choices that influence how organisations respond to changes in the operating environment. For example, Singh (1971) argues that managers may be less interested in profits than in growth since size of firm can have a major influence on their own rewards. The consideration of managerial motives (Trautwein, 1990) requires a critical approach to the proposals that housing associations produce for mergers[16] and a broad perspective on organisational strategies including choices between different options (such as mergers, alliances and groups; see next paragraph). The third is the process perspective (Jemison & Sitkin, 1986) which relates merger outcomes to decisions made at various stages of the process, particularly at an early stage, on strategic and cultural 'fit'; an over-emphasis on the former often leads to poorly planned integration processes and sub-optimal outcomes. Finally, there is a need to evaluate outcomes of mergers through close attention to the process and to the definitions of key success criteria (Cowin & Moore, 1996) emerging from organisations themselves and from their operating environment. Thus our research on Dutch and English housing associations recognised that associations were often trying to do different things in different ways, whereby simple distinctions between success and failure are hard to make.

---

16 Since 2005 English associations applying to the regulator for approval of mergers have been required to produce a business case setting out how the new structure will improve services, generate savings and how these savings will be monitored (Housing Corporation Chair's letter to HA board Chairs May 24, 2005)

A continuum of choices

....

Returning to the question of strategic choice, Figure 4.1 below indicates that merger is just one on a continuum of options, including partnerships, alliances, group structures and full mergers. These options can all increase the scale of operations, but each has different implications for control, independence and transaction costs. Partnerships and alliances preserve the highest levels of independence for partner organisations but are difficult to control, resulting in high transaction costs and continuing instability (since partners may pull out at any time). Group structures are constitutional partnerships based on legal agreements but were at one time thought to preserve significant opportunities for independence while sharing central services and joint procurement. Mergers involve greater sacrifices of independence and the possibility of enhanced control to deliver greater efficiencies (e.g. through fuller functional integration and collapse of subsidiary governance) (Mullins & Craig, 2005). The recent story of sector restructuring in England has largely been one of amalgamation through the group structure route, followed by fuller merger through 'streamlining' of governance and services delivery to create more integrated and unitary organisations (Pawson, 2006; Mullins & Pawson, 2010).

An important development in both countries is the creation through a series of 'mega-mergers' of a new set of third sector organisations operating on a much larger scale than ever before. In both countries the largest associations now own and manage in excess of 50 000 homes. It has been suggested that 'there is a real difference between managing an organisation of 30 000 and one of 50 000 homes', and that such organisations need new 'structures, methods, technology and mindsets' to operate effectively (London and Quadrant 2006). The emphasis on scale is somewhat ironic because housing associations in both England and the Netherlands started in the late nineteenth and early twentieth century as small-scale and locally based organisations (Malpass, 2000; Ouwehand & Van Daalen, 2002). Well into the twentieth century English housing associations were seen to provide a smaller scale, an alternative associated with 'the rejection of mass models' (Kendall, 2003, p. 138).

Continuum of Options

AUTONOMY

Partnerships
Contracts
Alliances
Groups
Mergers /
Amalgamations
Transfers of
engagements

Independence
decreases

Transaction costs
increase

Scale economies
decrease

DEPENDENCE
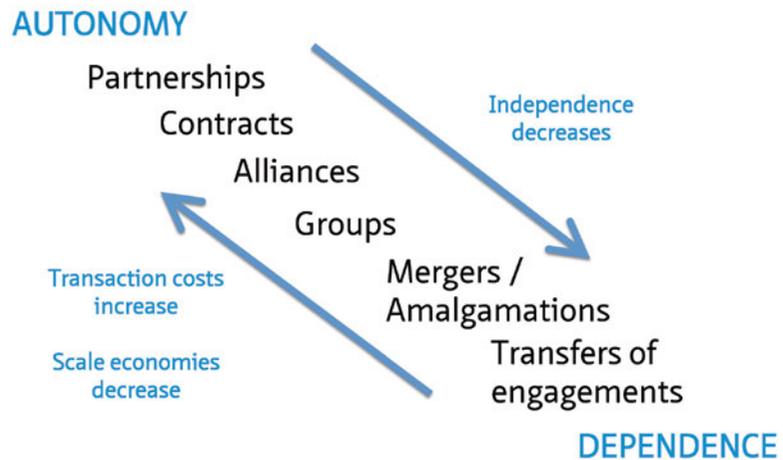
FIGURE 4.1 Mergers and alliance options

The role of housing associations in England and the Netherlands has considerable similarities. Both are now the main providers of social housing and often combine traditional landlord activities with social investments and community development. Dutch housing associations are financially more affluent, less regulated and more hybrid by combining third sector with commercial activities. Dutch housing associations are monopolists in the social housing sector, while in England social housing is also provided by local authorities which have much more of a 'mixed economy' of provision. In 2009 management of social housing in England was split into four almost equal shares: local authorities direct management (24%), Arms Length Management Organisations managing homes for local authorities (23%), traditional housing associations (27%), and stock transfer housing associations (26%) (Pawson & Mullins, 2010).

Change for the better?

One key policy question has featured prominently in both countries: do large organisations perform any better than smaller ones and if so in what ways? This question has often been reduced to technical considerations of efficiency and cost, with sophisticated analyses attempting to compare costs of larger and smaller associations (Centraal Fonds Volkshuisvesting, 2005; Indepen, 2008). However, it is sometimes recognised that larger and smaller associations may be trying to do different things, and that their performance may therefore be very difficult to compare in a meaningful way. Lupton and Davies (2005) have suggested that rather than considering economies of scale we might consider economies of scope. Economies of scope consider the different scales at which activities (in contrast to the scale of the organisation) such as housing management, development and back office services are ideally undertaken (Chartered Institute of Housing (CIH), 2005). Moreover, Mullins (2006a) has suggested that organisational logics associated with increasing scale for efficiency reasons may conflict with logics concerned with promoting local accountability. Encouragingly large housing associations in both countries appear to be taking this conflict seriously and have been developing structural, cultural and governance solutions to the challenge to 'think globally but act locally'. For example, several larger Dutch associations have adopted structures with locally accountable management units of around 5 000 homes. In England the imperative to invest efficiency savings in service improvements has been stimulated by regulatory requirements for merger proposals, by concepts of corporate social responsibility and social return (Mullins and Nieboer 2008; Mullins and Sacranie 2009) and by increasing emphasis by the social housing regulator (until 2008 the Housing Corporation, now the Tenant Services Authority, TSA) on measuring social performance.

The pace of merger activity has been a highly visible and much discussed feature of both the Dutch and English housing association sectors over recent years. Long-term trend data for the two sectors indicates a similar direction of change, with high volumes of merger activity and a resulting increasing average size of housing associations in both countries [see Figure 4.2 and Figure 4.3].

The different context for mergers in the two sectors is apparent from the available data. For example, the number of registered housing associations in England has remained fairly constant since the sector has continued to grow through stock transfer. In direct contrast the number of Dutch housing associations has decreased by nearly 50% over the past 10 years. While the average size for all Dutch associations is more than 5 000 homes and the average
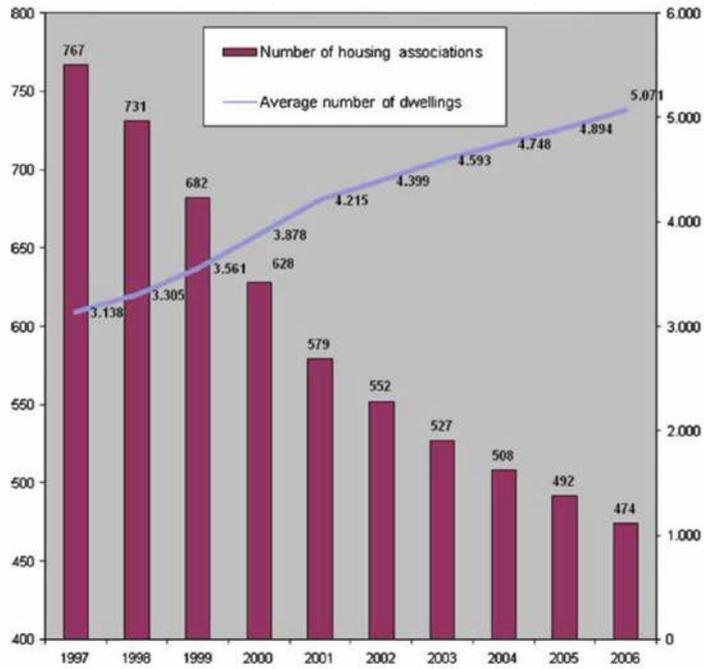
FIGURE 4.2 Decrease in numbers and increase in average size of Dutch housing associations 1997–2006
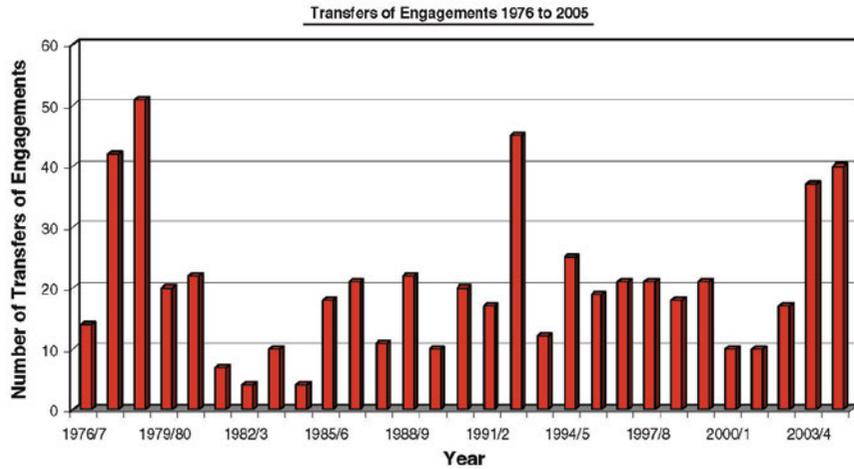
FIGURE 4.3 Merger activity in England 1976-2005

Figure 4.3 plots the time series of merger activity in England between 1976 and 2005. It shows a continuous flow of 'transfers of engagements' (i.e. mergers) averaging about 1% of the sector each year (Mullins, 2000). Two peaks in activity reflected adjustments to legislative and funding changes: namely the introduction of public funding post-1974–1976; and the inauguration of the 'mixed finance' regime post-1988. In the later 1990s there was a shift in the form of restructuring with the emergence of group structures of associations and other charitable and non-charitable subsidiaries controlled by parent bodies. Initially stimulated by corporation tax changes, establishment of group structures was subsequently also motivated by other considerations including ring-fencing risky or specialist activities and accommodating local stock transfer subsidiaries (Audit Commission and Housing Corporation, 2001). A further and more intense process of sector restructuring was triggered by 2004 reforms which concentrated development funding on the 70 or so 'best developing associations under the Housing Corporation's Investment Partnering procurement initiative' (Mullins, 2006b, p. 9).

In the eight years to 2009, stock holdings of the typical English housing association grew by 50% (from 800 to 1 420 dwellings), while the proportion of national housing association stock in the ownership of the 20 largest providers grew from 26 to 29% (Pawson & Sosenko, 2008). In England stock transfers from local authorities to housing associations have had an important impact on the institutional landscape. Over 200 transfer associations have been established, with stock holdings now exceeding those of the traditional housing association sector. Moreover, 40% of those set up as independent, stock transfer associations have subsequently established or joined together with others to form group structure arrangements. By 2007, over half of the transfer HAs operating as subsidiaries (over a quarter of all transfer HAs) were members of groups which also involved traditional (non-transfer) associations. (Pawson & Sosenko, 2008). As a result, over 75% of the stock managed by the largest 50 English associations is now managed by groups including associations with origins in stock transfer from local authorities (Pawson & Mullins, 2010). To a lesser extent stock transfer is also a feature of restructuring in the Netherlands where a White Paper in the early 1980s aimed to eliminate all municipal housing companies by 1996. In practice there were still 213 in 1990, falling to 23 by 2000 (Ouwehand & Van Daalen, 2002). Almost all Dutch municipal housing companies have now been privatised into new independent housing associations or merged into existing social landlords. Some of the largest associations such as Ymere, with a housing stock of 80 000 in the Amsterdam region, originated from the municipal sector.

Differences in policy context

There are significant differences in the policy context in which this restructuring activity has been occurring in the two countries. Before the 1990s, Dutch housing associations were largely controlled by the government through regulations and financial arrangements. In the 1990s, however, the government diminished its direct financial support and replaced the prescriptive regulations by the principle of retrospective accountability. This new regulatory framework allowed the associations' a lot more administrative freedom, but it also meant a significant increase in their financial business risks (e.g. Gruis & Nieboer, 2006). Consequently, housing associations have begun to adopt businesslike approaches in their management (e.g. Gruis & Nieboer, 2004; Gruis, 2008). Mergers among housing associations can be seen as part of this development and also as part of a wider trend of increased cooperation in various kinds of networks. Since the 1990s housing associations have set up several types of cooperation aimed at, for example, joint product development, treasury, finance and project development (including setting up project development companies jointly owned by two or more housing associations).

English housing associations have also been subject to a degree of marketisation and competition (Walker, 2000). In particular, this has occurred through significant levels of private borrowing and reductions in the proportion of scheme costs funded by government, through cross-subsidies of rental housing from shared ownership and outright sales and a resulting emphasis on businesslike behaviour and strategic management (Mullins & Riseborough, 2000; Mullins, 2006a). However, English associations remain subject to strong regulation. Two of the most important drivers of merger activity in the sector have been regulatory intervention and a reduction in the number of investment partner associations directly funded by government (Mullins & Craig, 2005). In England regulatory intervention has been the main driver for enforced mergers, there being no market mechanism for hostile take-overs. Enforced merger has long been the ultimate regulatory sanction in the case of failing associations. The increasing regulatory burden has also been a factor cited for merger, particularly by smaller associations (Mullins & Craig, 2005). As in the Netherlands, there have been alliances and network co-operation in areas such as procurement and housing market renewal. Sacranie's concept of multi-layered merging captures the parallel processes of sectoral changes arising from blurring of state, market and third sector identities alongside organisational mergers to create new kinds of organisational cultures and governance models (Mullins & Sacranie, 2008).

Merger drivers, motives and anticipated benefits

Researchers in both countries have attempted to establish why the trend towards
increasing merger activity has occurred. We have reviewed the extent to which these
accounts emphasise three main dimensions: external drivers inducing mergers as an
organisational response; internal motives such as growth and succession planning; and
anticipated benefits such as increasing professional expertise and ability to manage
the regulatory burden. A fourth consideration, varying in the attention given to it, is
the need to appraise varying options for achieving these anticipated benefits (e.g. the
choice between alliance, group structures and mergers and the level of integration
desired within the merger option) (Mullins & Craig, 2005). Often such analyses
combine these dimensions in a single set of factors.

In 1998, Van Veghel conducted a survey among Dutch housing associations to inquire
about their motives for mergers [see Table 4.1]. The three most frequent reasons for
mergers stated in that survey are achieving a better market position because of the
larger size, professionalisation and improving service delivery (Van Veghel, 1999).

More recently, Cebeon (2006) conducted an in-depth analysis of the effects of mergers
among 15 housing associations that had merged before 1 January 2002. As part
of this analysis Cebeon asked what the objectives of the mergers were and whether
the associations think the objectives have been achieved. In Table 4.2 we see that
professionalisation and market position due to the increased size are still the most
frequently mentioned objectives. Furthermore, these 15 housing associations seem to
relate mergers more explicitly to their (re)development tasks and risks. In contrast to
English associations, increasing efficiency is not a commonly stated motive for Dutch
housing association mergers.

MOTIVES	N	%
Better market position due to larger size	32	76%
Professionalisation	31	73%
Improving service delivery	28	67%
Improving financial continuity	18	41%
Better market position due to increased differentiation in housing stock	18	43%
A more efficient back office	17	40%
Matching investment tasks and means	10	23%
Efficiency in restructuring neighbourhoods	10	24%
Spreading risks of larger investment tasks	6	14%
Other reasons	3	8%
Total	42	

TABLE 4.1 Motives for mergers mentioned by Dutch housing associations
Source: Van Veghel (1998)

OBJECTIVES	STATED AS OBJECTIVE	ACHIEVED AS RESULT
Increasing size to become a stronger player in the (local) housing area	13	14
Make further professionalisation possible	12	15
Being able to conduct a large task (restructuring, new housing development)	11	13
Increasing size to be able to handle larger risks	11	11
Better local or regional co-ordination because of concentration of ownership	9	11
Expansion of activities (new competences within the organisation)	9	10
Efficiency gains	9	5
Matching tasks and means (of 'rich' and 'poor' housing associations)	6	7
Other objectives	2	4

TABLE 4.2 Objectives and achieved results of mergers according to 15 Dutch housing associations
Source: Cebeon (2006)

In England a similar survey was undertaken by Mullins and Craig (2005) to inform responses of the National Housing Federation to an apparent acceleration in the pace and scale of merger activity in the English housing association sector. This study identified a continuum of merger and alliance options involving different trade-offs between independence and scale with different levels of transaction costs involved [Figure 4.1].

In the 1990s Group Structures had become the most popular method to increase organisational scale. Group structures may be defined as formal associations of independent organisations in which one organisation, the parent, has ultimate legal

control over the other 'subsidiary' organisations (Audit Commission and Housing Corporation, 2001). One of the factors favouring groups was the ability to preserve apparently independent subsidiaries whilst benefiting from increased scale. After 2000 it became clear that independence was limited by regulatory requirements for parents to have control (Housing Corporation, 2004) and later still increased emphasis on efficiency led to a move back to mergers with simpler streamlined structures as the preferred model

Mullins and Craig (2005) also made a distinction between external drivers and internal management motives and between the drivers for different types of partnership. Overall, there was remarkable consistency of view that a Government-led efficiency agenda and Investment Partnering had been the main drivers accounting for an increase in activity on all areas of the continuum over the past two years. For individual associations, people issues, especially the retirement of chief executives, was the main internal driver. Table 4.3 shows the most frequently mentioned drivers for each form of partnership.

MERGERS
Value for money and efficiency agendas
Creating economies of scale and a more powerful entity with a greater ability to survive in a fast-paced sector
Retirement of the chief executive
Expansion and growth—merger gives development potential
Investment partnering is now a driver for mergers
Audit Commission inspections—if an association is struggling they are pushed in the direction of merger for improvement/survival
GROUP STRUCTURES
Efficiency agenda
Mitigating risk: developing separate branches of specialism
Smaller associations feeling that they can't keep up with the pace of change—ability to deliver part of the package of joining a larger group.
Retirement of a chief executive
Regulatory intervention—'the Corporation continues to see Groups as the best place for turning around failing associations'
OTHER ALLIANCE/PARTNERSHIP
Investment partnering has been a major stimulus to alliances to secure continued access to development funding
Efficiency and cheaper procurement were growing in importance as drivers for alliances and there had been a 'big push in repairs and maintenance partnerships'
Other alliances and partnerships are seen as the 'third option' for associations who don't want to merge or join a group structure

TABLE 4.3 Main drivers and motives for different forms of mergers and alliances: England 2005

'Change for the Better?' making sense of housing association mergers in the Netherlands and England

§ 4.4.1 Impacts of mergers

Assessments of the outcomes of mergers in the housing association sector have generally been rather inconclusive to date. This is partly because different types of questions have been asked, with a general tendency to seek evidence on financial benefits and cost savings rather than on a rounded assessment of impacts on financial and social performance. It also reflects a relative paucity of studies comparing the performance of different types and sizes of housing organisations though see for example Walker and Murie (2004). In this section we review existing evidence, but focus on new and emerging evidence highlighting the use of benchmarking data in the Dutch context.

In England, an early study of group structures (Audit Commission and Housing Corporation, 2001) was unable to find conclusive evidence of cost savings apart from those associated with corporation tax or procurement. However, it did express concerns that residents were being excluded from representation on the parent boards of the emerging groups. Later work by Lupton and Davies (2005) found that no general conclusions could be drawn about the correlation between scale and performance. They suggested instead that a focus on the desired social and other effects and on effective management is more important than the excessive emphasis currently placed on scale and structures. Most importantly they suggested that there is no such thing as 'one size fits all' for housing associations because different housing functions work best at different scales. This interesting finding is discussed further in our conclusion.

Later work by Davies et al. (2006) was critical of the ambition of associations when setting cost savings targets in their merger proposals (these were generally 1–2% of turnover or 1.5–3% of operating costs). In the view of Davies *et al.*, more ambitious targets would have been appropriate and achievable. However, unpublished discussions by the present authors with experienced practitioners suggest that they sometimes felt it was better to 'aim low and overachieve'. This alternative view was influenced by the unanticipated costs frequently associated with mergers and by the increasing scrutiny of whether promised benefits were being delivered.[17]

---

17   These discussions took place during a 'Mergers Masterclass' held at the University of Birmingham in December 2007, attended by the directors of several English associations and facilitated by two of the authors of this paper.

Davies *et al.* also found that over half of the associations were failing to measure whether such savings targets were actually met, but recognised that 'measurement is inherently difficult given the dynamic nature of the business'. Their analysis of published performance indicators for 2005 suggested that groups had achieved savings in operating costs compared to other associations, but that outcomes on most other indicators such as relet times, repairs performance and tenant satisfaction were worse.

These studies appeared to influence the mood of organisational leaders involved in a Delphi panel study undertaken by one of the authors (Mullins, 2006a). This study found that, paradoxically, most leaders expected a continued increase in merger and group structure activity, but few expected that such activity would result in cost savings for the associations involved. More recently, there has been a ramping up of regulatory expectations in relation to efficiency savings, close scrutiny of proposals (also referred to as 'business cases') submitted to support merger applications and more concerted attempts to monitor their achievement (signalled by a letter to all housing association chairs from the then Housing Corporation Chair, Peter Dixon in May 2005). It is possible that as a result of these changes clearer evidence will begin to emerge of such savings being delivered. For example, one of the authors is involved in a long-term evaluation of a major amalgamation of two large English groups to form an association of 50 000 homes. This organisation had set an initial savings target of £2 million for central services and a similar amount for a sub-group merger. It has adopted a balanced scorecard evaluation framework encompassing customer services, growth, influence and financial strength objectives. Later in this section we will explore new evidence emerging from the operating cost index concerning the impact of organisational scale on operating costs which suggests the emergence of a scale effect after 2005 (Indepen, 2008).

In the Netherlands, the Central Housing Fund (*CFV, Centraal Fonds Volkshuisvesting*) has researched the subject from a primarily financial perspective (Centraal Fonds Volkshuisvesting, 2005, 2006, 2007). The Housing Ministry (VROM) commissioned Cebeon (*Centrum voor Beleidsondersteunend Onderzoek*) to investigate the effect of mergers on social performance (Cebeon, 2006). Cebeon's study focused on the qualitative effects of mergers, such as local performance agreements, regional and local commitment, effects on tenants, liveability, product differentiation, investment power, management costs and efficiency. The study concluded that mergers have a positive effect on the social performance of associations. An overview of those positive results has already been given in Table 4.2. Drawing mainly from Cebeon's report (2006), we can also mention the following potential (interrelated) negative effects:

- losing touch with (or giving less attention to) local governments, housing markets and neighbourhoods, particularly when mergers expand the distribution of the housing stock over multiple municipalities;
- becoming too strong in comparison to other associations and local stakeholders(monopolisation);
- becoming less accessible to (local) stakeholders due to the larger size (particularly when combined with a centralised decision-making structure) and due to the internal orientation during the first years after the merger;
- a lower level of service delivery due to decreased accessibility to individual clients;
- less efficiency due to a larger overhead and increased internal bureaucracy.

Data derived from the annual reports of housing associations and from interviews with association representatives give a picture of their results. But comparable data on how tenants and other stakeholders perceive the performance of associations is still scarce and fragmented. No similar data is available on the English social housing sector. Customer and stakeholder satisfaction assessments by the Dutch *Kwaliteitcentrum Woningcorporaties Huursector (KWH)* indicate that mergers lead to a period of introspection, reflected in lower customer satisfaction scores immediately after a merger. The results fall in the first year but then rise sharply and even exceed the pre-merger level. Larger associations take longer to recover [see Figure 4.4].
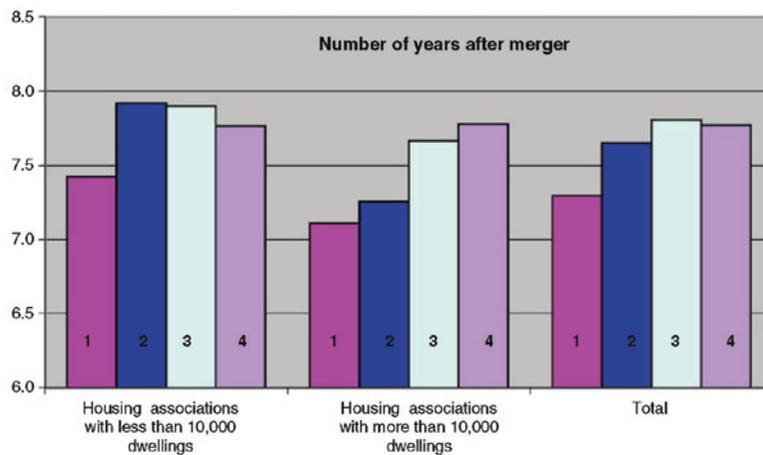
FIGURE 4.4 Average KWH-Huurlabel scores in the post merger period. `
Source: KWH 2007

§ 4.4.2 Scale and the production of rented homes

Apart from ratings by customers and stakeholders, the production of new homes is one of the main performance indicators for housing associations. In its sector survey for 2007, the CFV reports that, after reaching a record low in 2001, associations doubled their production of new rented homes to 24 700 units in 2006 (Centraal Fonds Volkshuisvesting, 2007). However, the CFV also observes that, year on year, actual production is far below the associations' own forecasts, which were twice as high. Housing associations forecast 60 000 new rented homes in 2008, while the CFV—based on actual production in previous years—estimates that the annual production of rented homes will stabilise at around 30 000 units.

The extent to which associations contribute to new housing varies from association to association. For several years, the Housing Ministry (VROM) has published indexes showing the best-performing associations in terms of construction, sale and demolition.

If we look at the size of associations, it is the largest organisations that build, sell and demolish the greatest number of units. In 2006, the 56 associations with more than 10 000 units built 16 900 homes. The other associations built 7 700 units. In other words, the 12% largest associations built 69% of the new association-funded homes in the Netherlands. But the performance of large associations is less impressive when expressed as a percentage of units owned. With the exception of the 3 mega-associations with more than 50 000 homes, providers of rented social housing with a stockholding between 30 000 and 50 000 homes built almost as many as the associations with less than 1 500 homes [see Figure 4.5].

As noted earlier, English government funding for constructing new social and afford-able housing has been focused on 74 large investment partners. Recently published data (Inside Housing, June 20, 2008) has confirmed that larger associations dominate the league table of new building. Of the top ten developers in 2008, none had fewer than 18 000 homes in management already; only two had fewer than 30 000 units and five already had more than 50 000 homes in management. Similarly it is mainly the larger associations that have the capacity to build housing for sale. So in the absence of a similar analysis we would predict that similar conclusions could be generated about the general performance of larger and smaller English housing associations—that they do different things and have different strengths. Larger, more professional staffs improve compliance with corporate measures of performance, while greater financial capacity and asset strength contribute to higher new building activity and more construction for sale. However, on the down side merger processes can lead to dips in performance. Larger organisations can find it harder to achieve very high levels of customer satisfaction unless they are able to compensate for the loss of personalised relationships and trust that smaller landlords can engender.
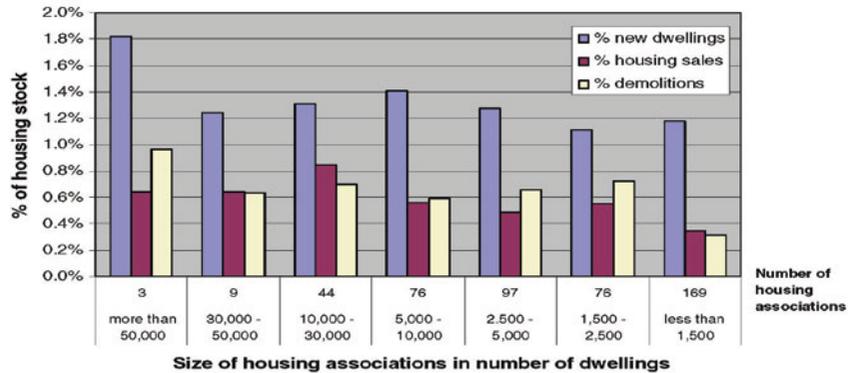
FIGURE 4.5 New housing production, sales and demolitions in 2006 in percentage of the housing stock of individual housing associations.
Source: VROM, 2006, adaptation by authors

§ 4.4.3   **Scale and operation costs**

In addition to the societal outcomes, efficiency is also an important indicator for measuring the effects of expansion. Based on operating costs, it is difficult to defend the argument that expansion leads to increased efficiency. The study of the operating costs of associations (Centraal Fonds Volkshuisvesting, 2005) shows that expenditure by large associations is considerably higher than that by small associations [Figure 4.6].

Mergers thus have less influence on cost levels. But this is not the full explanation. Why do large associations have higher operating costs? It would be easy, but perhaps not inaccurate, to attribute those costs to expensive head offices, high executive salaries and an excess of managers and corporate staff. Relatively speaking, large associations do indeed employ more people. In 2003, the associations with more than 4 000 units employed 10 FTEs for every 1 000 housing units, while associations with 600– 1 800 units did their work with 25% fewer staff (Centraal Fonds Volkshuisvesting, 2005). Part of the extra staffing capacity is allocated to property- development activities.
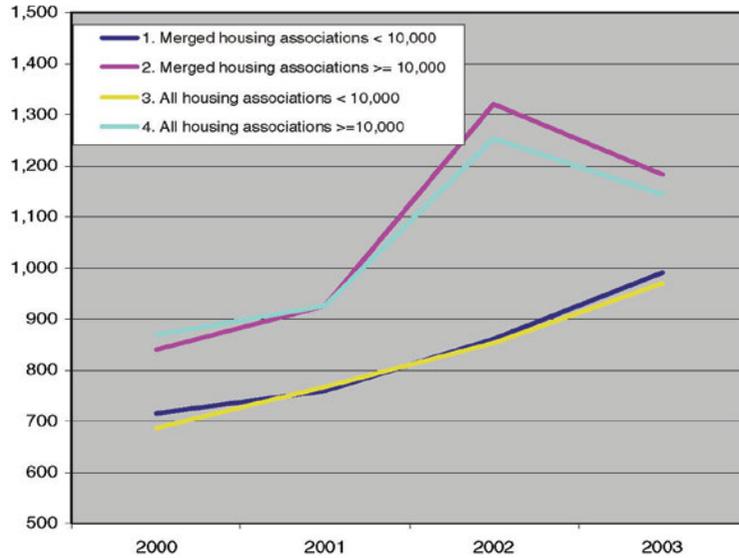
FIGURE 4.6 Operating cost per dwelling (in euros)
Source: Centraal Fonds Volkshuisvesting, survey of operating costs of housing associations, 2005 (adaptations by authors).
Note: the sharp increase in operating costs per dwelling in 2002 was due to the fact that two large associations formed a provision for restructuring that year.

FIGURE 4.7 Process, Issues and Outcomes

In its sector survey for 2006, the CFV reports that larger associations are better able to deliver their planned production of new dwellings. Nevertheless, a direct correlation between higher new production and higher net operating costs is not self-evident. Staffing costs relating to project development are usually absorbed in the all-in construction costs of the homes and therefore should not influence net operating costs. It appears that large associations carry out extra activities that cannot be absorbed in the all-in construction costs. We find indications of this in the follow-up study of operational costs published by the CFV in 2006. The study showed that associations with high operating costs have a higher ratio of staff to housing units. However, other operating costs have a greater influence, particularly the higher expenditure on accountants, external consultancy, marketing and communication, and liveability (e.g. investments in the public realm, social inclusion activities). The study concludes that the remuneration of top-level management does not contribute to the difference in operating costs. In its study, the CFV asked associations to break down their costs by activity. The responses showed that associations with high operating costs allocate a larger share of their wage costs to activities relating to social management and liveability.

In England as well, new evidence is emerging in relation to operating costs. This suggests that economies of scale are beginning to play a larger part in explaining variations in operating costs of English associations, particularly for traditional (i.e. non-stock transfer) associations. In England a slightly different approach has been taken to calculating the operating cost efficiency of housing associations with more that 1 000 homes[18] in management and excluding 'specialist' associations (those with greater than 50% of housing for older people, supported and specialist housing). The Operating Cost Index (OCI) was introduced in 2004 and its methodology was amended in 2007 to enable 'meaningful comparisons between the operating costs of RSLs' (Housing Corporation, 2007). It is presented as a tool for self-improvement to help associations understand their cost base and drivers in comparison to other associations.

The index uses data provided by associations in annual and quarterly returns to 'investigate the significance of various cost drivers, and only includes cost drivers that are found to be statistically significant and which are found to explain the majority of operating costs of RSLs' (these included the number of social and non-social housing units, house type mix, decent homes requirements and trends in costs versus inflation over time). Data has now been collected for three years and results for 2007 use a new method of calculation: actual cost as % of predicted cost. This is a far truer reflection of an index (a result of less than 100% suggests costs below that predicted, the converse being true for costs greater than 100%).

---

18   This threshold was introduced in 2007 and then applied to re-analysis of 2005 and 2006 data.

The analysis (by Indepen Consultancy, 2008) has consistently distinguished between operating costs of stock transfer and traditional associations. It shows different patterns for calculations with and without major repairs expenditure.

The first publication of results coincided with work by Lupton and Davies (2005) on mergers and scale, asking 'is bigger better'? They reported that 'an analysis of the OCI based on size found no strong evidence of economies or diseconomies of scale. If we consider the mean average performance (including major repairs) broken down by size, it shows that associations with less than 5 000 units have a higher average ranking than larger ones, but that the ranking of those between 5 001 and 7 000 is noticeably lower than the largest associations. If major repairs are excluded there are no clear differences based on size'.

The analysis by Indepen (2008) (using a new methodology and confining the analysis to associations with 1 000 or more homes) draws a rather different conclusion. 'There is evidence of economies of scale for English traditional associations on both measures of costs (including and excluding major repairs)'. For stock transfers there were scale economies if major repairs were excluded but not if they were included. 'Economies of scale had not been observed previously'.

Within its complex overall methodology, the Indepen study takes a relatively simple first step, comparing the number of social housing units to net operating costs. Using this simple coefficient alone they find that for traditional associations 'for every 10% increase in social housing units, net operating costs increase by 9.2%, indicating economies of scale' (p. 22). For stock transfers the same coefficient indicates that 'for every 10% increase in social housing units net operating costs increase by 9.8%, with no evidence of economies of scale' (p. 26).

This suggests to the outside non-technical observer that either the changed definitions had induced these new results or there had been an increased emphasis on delivering efficiencies in larger associations. The latter is evidenced by harder merger business case savings submitted to the Housing Corporation and the trend to streamline group structures to strip out bureaucratic and governance costs. Further possible explanations of patterns in the data suggested by Indepen include accounting treatment, timing and scale of major repairs, quality of outputs, and cost drivers not covered by the model.

Unsuccessful mergers

The literature on mergers indicates the importance of considering not just the motivations and external drivers but also the processes involved in brokering, negotiating and implementing mergers. Jemison and Sitkin (1986) argue that 'the acquisition process itself is a potentially important determinant of acquisition activities and outcomes' (p. 145). An important critique of much merger activity in the private sector, accounting for the rather limited success rate, is the emphasis on 'strategic fit' at the expense of 'organisational or cultural fit' (Porter, 1987; Datta, 1991). Strategic fit refers to the mutual goals and ambitions of the organisations prior to merger. The organisational and cultural fit are connected with the structure, systems, skills, management style, staff characteristics and shared values of the organisations that must be implemented after a merger to enable successful delivery of outcomes. This emphasis has also been found in the English housing association sector by Mullins (2000; see also Mullins & Craig, 2005), who identified the typical stages of a merger process and noted that most guidance and attention had been given to strategic fit and pre-merger planning (e.g. National Housing Federation, 1999).

Studies of critical success factors for mergers in both third sector (Cowin & Moore, 1996) and profit-distributing sectors (Hubbard, 1999) indicate that the most important stage of the process is after the deal has been done. Failure to plan for post-merger integration, inadequate consideration of organisational cultures and values of the partner organisations, and failure to keep the key stakeholders (staff, boards and customers) informed and involved in the change process are some of the most common causes of failed mergers.

Mullins and Craig (2005) explored the success rates of merger proposals. From expert interviews they estimated that 25–33% of proposed mergers fell by the wayside at various stages after their initiation. The main factors leading to abortive mergers were perceived differences in organisational cultures and failure to agree on who would be the Chair and Chief Executive of the new organisation. Following the business literature, which suggests that a high proportion of commercial mergers fail to deliver shareholder value, Mullins and Craig also explored some reasons why housing association mergers that proceed may not succeed. Again, culture was a major factor, together with post-merger integration issues such as planning, communication and staff buy-in.

Evidence of the reasons for mergers not proceeding is also available for the Netherlands, where Van Veghel (1999) asked housing association actors to indicate why a merger had not taken place in cases where mergers had been negotiated. As Table 4.4 shows, the most frequent reasons are related to differences in organisational cultures and company targets and the reluctance to give up the independence. It is interesting to note that customer factors such as tenant resistance and increased distance from clients were not mentioned by most respondents.

MOTIVES	N	%
Board of supervisors and/or director did not agree	29	48%
The culture of the organisations was too different	28	47%
The association did not want to lose its independence	15	25%
The company objectives were too different	12	19%
Resistance among employees	8	14%
The organisation of the companies was too different	8	13%
The distance to the clients would become too big	3	5%
Resistance among tenants	2	3%
Other reasons	11	18%
Total	42	

TABLE 4.4 Motives for not going through with a merge, mentioned by Dutch housing associations
Source: Van Veghel (1998)

§ 4.6 Conclusions

In this paper we have explored the motives and outcomes of mergers in the Dutch and English housing association sectors. In both countries, mergers take place with a wide range of motivations, among which the desire to be able to create more output in terms of lettings, housing development and the variety of services seem common factors in both countries. The main distinctions we draw from the review of merger drivers evidence is the greater importance attributed to external drivers in the English context, reflecting the strength of regulator pressure. This is associated with the greater importance attached to efficiency than to factors such as market position and professionalisation, which drive the merger process in the more market-based Dutch context. Evidence on merger outcomes suggests that larger housing associations produce relatively more new homes, seem to be more capable of cooperation with societal partner organisations and offer a wider variety of services. Smaller housing associations perform relatively well in terms of service delivery and tenant participation (as appreciated by tenants). The evidence presented in this paper also suggests that smaller associations have relatively low operating costs, although the evidence from England is less conclusive. Our paper has also drawn attention to the importance of post-merger integration planning to merger success, noting the belated recognition of this by good practice guidance for the English third sector housing sector. It has shown the importance of cultural factors as barriers to the merger process and success in both countries, supporting the case for a greater balance between cultural fit and strategic fit in merger planning. Finally it has highlighted the greater recent attention to post-merger evaluation in the English context primarily in relation to regulatory drivers.

In conclusion we would like to highlight some implications for policy and for strategic choices between a continuum of merger and alliance options. We also suggest some directions for future comparative research.

Policy implications

A key consideration in debating policy implications regards the different levers that are available to influence the policy directions we have observed.

In the Netherlands mergers have been seen as a response to freedom from state direction and the adoption of more business-like behaviour by associations. Approval by the Housing Ministry is still required for mergers to proceed. Yet this is often a rather technical matter and there is little direct or indirect pressure by either CFV or VROM to make mergers happen. Dutch local authorities have relatively limited leverage over merger activity. They do exert influence on planning matters, regeneration schemes, and rent increases for higher quality properties, all of which may drive merger activity in certain situations.

In England the Housing Corporation had long declared its reluctance to intervene in the shape and structure of the sector. However over a long period regulatory intervention has been an important merger driver for failing associations. The regulatory burden (particularly arising from the inspection regime introduced in 2002) has been reported as a motive for merger even amongst associations not facing immediate regulatory intervention (Mullins and Craig 2005). Furthermore, since 2004 there has been an increasing steering of merger objectives as a result of the requirement to submit business cases to secure regulatory approval for mergers. The requirement to demonstrate clear customer benefits and efficiency savings has led to more focused proposals and to more streamlined structures capable of generating significant cost reductions.

A final significant difference from the Dutch context is the ability to use public expenditure levers to influence organisational behaviour. Here, the most significant impact has come from the investment partnering regime. From 2004 on, it has limited the number of associations in direct receipt of a social housing grant, thereby encouraging other associations with development aspirations to merge or form alliances with the directly funded associations. An underlying policy issue that is easily ignored is that in neither country are mergers in the third sector subject to the prospect of hostile takeovers, as found in the share trading parts of the private sector. This factor is significant, since it limits the ability of predatory or expansionist associations to realise acquisition targets. Moreover, it enables associations that may not be exploiting their assets to their full potential to continue to do so without the threat of external takeover.

Scale, function and the continuum of partnership options

Our main empirical conclusion is that the relationship between the size of housing associations and their performance is far from straightforward. This is principally because large and small associations are generally trying to do different things in different ways and have contrasting strengths and weaknesses. As we have seen in the Netherlands, smaller associations have more satisfied customers and tenant representatives, as well as lower operating costs. However, many small associations do not build new homes. The measurements for the 'KWH-Maatschappijlabel' show that large associations are more effective in terms of relations with stakeholders and translating social expectations into business processes. In England larger associations have greater capacity to manage regulator compliance, and the regulation system itself has been a major driver of the trend toward increasing scale.

These findings clearly complicate judgements on whether the process of increasing scale and industry concentration through merger is a change for the better. Different organisations are trying to do different things, and some commentators have suggested that the optimum size may vary between activities. In England, Lupton and Davies (2005) have suggested that 'one size does not fit all' since different sizes are appropriate to different functions [Table 4.5].

The statements about size range are tentative and must be considered in the English context, in which housing associations manage fewer homes on average than associations in the Netherlands. However, it is clear that there is a minimum ideal size for activities such as property development, back-office, finance and improvements. By contrast, general housing management (e.g. rental and maintenance) have a maximum ideal size, above which the organisation becomes too distant from its customers. This differentiation is reflected in the attempts being made by many associations to find the best organisational structure, in cooperation with others or within their own organisation. They suggest a shift of focus from economies of scale to economies of scope. This relates to the added value for customers and stakeholders, and to finding the most appropriate organisational form (e.g. strategic alliance, joint venture or partnership geared to a specific service, business process, project or district).

MOTIVES	OPTIMAL SIZE RANGE
Housing management and maintenance	1 000 – 5 000 homes
Improvement and renovation	More than 5 000 homes
Project development	More than 7 000 homes
Full range of financial skills	More than 5 000 homes
Full range of back-office services	More than 10 000 homes

TABLE 4.5 Optimal size range for the activities of UK housing associations
Source: Lupton and David, Chartered Institute of Housing (CIH) 2005

In our earlier discussion of forms of merger and alliance [see Figure 4.1] we identified a continuum of options with different combinations of scale, independence and transaction costs (Mullins & Craig, 2005). One response to Lupton and Davies' (2005) conclusions on economies of scope would be to draw greater attention to alliances of independent organisations rather than to groups or fully integrated mergers. However, this option could involve higher transaction costs and difficulties in maintaining relationships as circumstances change.

Future research directions

This paper has provided the opportunity to exchange information and ideas about the meaning and trajectory of merger behaviour in two contrasting settings. While the research reported upon has explored similar themes, there have inevitably been difficulties in 'joining up' and comparing studies undertaken with different methods and purposes. However, from these studies we believe there is scope for further comparative work on housing association mergers in England and the Netherlands and would make the following suggestions. Recent detailed analysis of sector restructuring in England (Pawson & Sosenko, 2008) was not matched by any of the sources we located in the Netherlands. It would be useful to develop a similarly detailed descriptive account of the two sectors.

Work by KWH in the Netherlands provides a far more comprehensive picture of merger outcomes and the comparative performance of large and small associations across a broad field of performance goals than is currently available at aggregate level for English associations. It would be useful to harness benchmarking data to replicate such analyses and add to the rather ambiguous evidence emerging from the operating cost index studies (Indepen, 2008).

Further work on the merger process seems critical given the findings of writers such as Jemison and Sitkin (1986) that early emphasis on strategic fit at the expense of cultural fit can plant the seeds of long-term adverse performance outcomes. Furthermore, it is important for this work to place emphasis on all stages of the process, including post-merger integration stages, where studies have again indicated that the seeds of failure are often harvested (Hubbard 1999). This approach is most likely to be achieved through case studies covering the life cycle of mergers and taking into account the impacts on a range of corporate aims and from the perspective of a variety of stakeholders. However, detailed case studies of the merger process and its outcomes are costly to undertake, are much less common and difficult to replicate. We believe, however, that studies taking into account multiple stakeholder and life cycle perspectives on organisational changes are most likely to generate knowledge that is of value in understanding and influencing these processes.

Given the differences in policy context and sector position clarified in this paper it would not be practical to attempt a controlled experiment comparison between case study organisations in the two countries. However, there would seem to be scope for a looser alliance of housing organisations and researchers interested in horizontal learning and involved in discrete long-term evaluations to share ideas on questions such as:

— managing the tensions between scale and local accountability;
— developing new models to manage and measure social performance in large associations;
— developing organisational structures that enable large associations to be 'better neighbours' to local communities.

Acknowledgments

References

Audit Commission, & Housing Corporation. (2001). *Group dynamics: Group structures and registered social landlords.* London: Audit Commission and Housing Corporation.

Cebeon. (2006). *Effecten fusies corporaties op maatschappelijke prestaties* [Effects of mergers associations on social performance]. Cebeon: Amsterdam.

Centraal Fonds Volkshuisvesting (CFV). (2005). *Onderzoek bedrijfslasten woningcorporatie* [Research operational costs HAs #1]. Naarden: CFV.

Centraal Fonds Volkshuisvesting (CFV). (2006). *Vervolgonderzoek bedrijfslasten woningcorporatie* [Research operational costs HAs #2]. Naarden: CFV.

Centraal Fonds Volkshuisvesting (CFV). (2007). *Sectorbeeld 2007* [Sector overview 2007]. Naarden: CFV.

Chartered Institute of Housing (CIH). (2005). *Is big really best or can small and friendly deliver? A briefing on the size, efficiency and effectiveness of housing associations.* Coventry: CIH.

Cornforth, C. (1994). *Mergers between voluntary and third sector organisations: A change perspective.* Pecs, Hungary: International Society for Third Sector Research Conference.

Cowin, K., & Moore, G. (1996). Critical success factors for merger in the UK voluntary sector. *Voluntas,7*(1), 66–86.

Datta, D. K. (1991). Organisational fit and acquisition performance: Effects of post-acquisition integration. *Strategic Management Journal, 12*, 281–297.

Davies, A., Lupton, M., & McRoberts, D. (2006). *The bigger picture. The costs and benefits of groups, mergers and partnerships.* Coventry: Chartered Institute of Housing.

Gruis, V. (2008). Organisational Archetypes for Dutch Housing Associations. *Environment and Planning C, 26*(6), 1077-1092.

Gruis, V., & Nieboer, N. (Eds.) (2004). *Asset management in the social rented sector; policy and practice in Europe and Australia.* Dordrecht: Springer/Kluwer.

Gruis, V., & Nieboer, N. (2006). Social housing investment without public finance: The Dutch case. *Public Finance and Management, 6*(1), 122–144.

Housing Corporation. (2004). *Good practice note 11: Making groups work.* London: Housing Corporation.

Housing Corporation. (2007). *The index of comparative operating cost. Briefing Note.* London: Housing Corporation.

Hubbard, N. (1999). *Acquisition strategy and implementation.* Basingstoke: Macmillan.

Indepen. (2008). Operating cost index for housing associations in England. Study incorporating 2005/6 and 2006/7 data. Draft April 30, 2008. London: Indepen Consulting Limited. *Inside Housing,* June 20th 2008.

Jemison, D., & Sitkin, S. (1986). Corporate acquisitions: A process perspective. *Academy of Management Review, 11*(1), 145–163.

Kendall, J. (2003). *The voluntary sector. Comparative perspectives in the UK*. Routledge: London.

London and Quadrant. (2006). *Growing Up. Report of Future Shape of the Sector Commission*. London: London and Quadrant Housing Trust.

Lupton, M., & Davies, A. (2005). *Is big really best—or can small and friendly deliver?* Coventry: Chartered Institute of Housing.

Malpass, P. (2000). *Housing associations and housing policy. A Historical Perspective*. Basingstoke: Palgrave.

Mullins, D. (1999). Managing ambiguity: Merger activity in the nonprofit housing sector. *International Journal of Nonprofit and Voluntary Sector Marketing, 4*(4), 349–364.

Mullins, D. (2000). *Constitutional and structural partnerships: Who benefits? Housing research at CURS No. 8*. Birmingham: Birmingham University.

Mullins, D. (2006a). Exploring change in the housing association sector in England using the Delphi method. *Housing Studies, 21*(2), 227–251.

Mullins, D. (2006b). Competing institutional logistics? Local accountability and scale and efficiency in an expanding non-profit housing sector. *Public Policy and Administration, 21*(3), 6–24.

Mullins, D., & Craig, L. (2005). *Testing the climate: Mergers and alliances in the housing association sec-tor*. Birmingham: University of Birmingham;

Mullins, D., & Nieboer, N. (2008). *Comparing Dutch and English housing associations: Rational calcu- lations and taken for granted assumptions*. ENHR Dublin Conference Paper.

Mullins, D., & Pawson, H. (2010). Housing associations. Agents of policy or profits in disguise? In D. Billis (Ed.), *Hybrid organizations and the third sector challenges for practice, theory and policy (pp. 197-218)*. Basingstoke: Palgrave Macmillan.

Mullins, D., & Riseborough, M. (2000*). What are housing associations becoming? Final report of changing with the times project. Housing Research at CURS number 7*. Birmingham: CURS University of Birmingham.

Mullins, D., & Sacranie, H. (2008). *Competing drivers of change in the regulation of housing associations in England: A multi-layered merging perspective*. HSA Conference: York (unpublished).

Mullins, D., & Sacranie, H. (2009). *Corporate social responsibility and the transformation of social housing organisations: Some puzzles and some new directions*. Paper presented at ENHR Conference, Prague June 2009 (unpublished).

National Housing Federation. (1999). Partnerships and practicalities. Making it Work. London: NHF.

Ouwehand, A., & Van Daalen, G. (2002). *Dutch housing associations. A model for social housing?* Delft: Delft University Press.

Pawson, H. (2006). Restructuring England's social housing sector since 1989: Undermining or underpinning the fundamentals of public housing? *Housing Studies, 21*(5), 767–783.

Pawson, H., & Mullins, D. (2010). *After Council Housing: Britain's New Social Landlords*. Basingstoke: Palgrave Macmillan.

Pawson, H., & Sosenko, F. (2008). *Sector study: Restructuring*. London: Housing Corporation.

Porter, M. (1987). From competitive advantage to corporate strategy. *Harvard Business Review, 43–59*.

Singh, A. (1971). *Takeovers*. Cambridge: Cambridge University Press.

Trautwein, F. (1990). Merger motives and merger prescriptions. *Strategic Management Journal, 11*, 239–254.

Van Veghel, M. (1999). *Fusies en samenwerking van woningcorporaties; een impressie van dynamiek en moti- even*. [Mergers and cooperation between housing associations; an impression of dynamics and motives]. Delft: Delft University Press.

Walker, R.M. (2000). The changing management of social housing: The impact of externalisation and manageri- alisation. *Housing Studies, 15*(2), 281–299.

Walker, B., & Murie, A. (2004). The performance of social landlords in Great Britain: What do we know and what does it show? *Housing Studies, 19*(2), *245–267*.

Walker, R.M., & Van der Zon, F. (2000). Measuring the performance of social housing organisations in England and the Netherlands: A policy review and research agenda. *Journal of Housing and the Built Environment, 15*(2), 183–194.

CASE STUDIES

HOUSING HERO 2:

Make lives noble, homes happy, and family life good.

Octavia Hill (1838-1912), English social reformer.

5 A network perspective on the organisation of social housing in the Netherlands: the case of urban renewal in The Hague

Abstract

In the past 15 years Dutch housing associations have undergone a transformation from strictly regulated and heavily subsidized organisations to financially and administratively independent enterprises. This transformation has sparked a lively debate on regulation and the role of the government in social housing. There is a broad consensus that something needs to be done about the operations of housing associations in the Netherlands. Hence, their position and performance are a current topic of discussion in the Dutch Parliament. In this paper we examine public management from a network perspective. We envisage the policy environment as a network of players and explore three key concepts: ''multiformity'', ''closedness'' and ''interdependence''. The government is not the dominant party in this scenario, but one of several players with their own specific goals and resources. To be sure of a good performance, instruments of governance need to be in tune with the characteristics of the network. This paper discusses the instruments applied in the Dutch social housing network and uses the results of a case study in The Hague to illustrate the efficacy of the network perspective in social housing analyses and to highlight the strengths and weaknesses of the current governance structure.

127   A network perspective on the organisation of social housing in the Netherlands: the case of urban renewal in The Hague

TOC

Introduction

The social housing sector in the Netherlands has undergone numerous changes since it first came into being around 1860 and since the introduction of the Housing Act in 1901. Housing associations were private organisations that were subject to varying degrees of government influence during the 20th century. After World War II the social housing sector became a crucial weapon in the battle against housing shortages. From 1945 until 1990, the Dutch government remained closely involved in the operations and funding of housing associations. As a result, they gradually turned into semi-public institutions that had strong hierarchical ties with the government. Since the 1990s, however, Dutch housing associations have become financially independent and are now powerful partners in local networks. That said, they are still (in 2005) registered on the basis of the Housing Act and therefore obliged to meet certain government criteria.

There are various instruments for safeguarding the performance of housing associations. The effectiveness of these instruments and, hence, the performance of housing associations are current topics of political debate. Politicians from across the spectrum are questioning the performance of housing associations in urban renewal and social housing, especially in view of the huge financial resources they have at their disposal. Discussions on the performance of the social rented sector have prompted various studies and advisory reports from, amongst others, the Scientific Council for Government Policy (WRR in Dutch) and the Social Economic Council (SER in Dutch) (WRR, 2004; SER, 2005; Conijn, 2005; Commissie de Boer, 2005).

This paper will add to the discussion by presenting the results of a local case study in which the performance of housing associations was analysed by applying the network approach. The case study was part of an ongoing research project that has been specifically set up to provide clearer insight into how the allocation of urban renewal responsibilities and the range of policy instruments work at local level. The following section explains the network approach as applied in the project. The paper then traces the background of the Dutch social rented sector. The results of the case study in The Hague are then presented.

Three questions were addressed: Who belongs in the network?; How does the network determine the desired performance in urban renewal?; and, How do different instruments influence the performance? The results are based on 25 interviews with key stakeholders in the local urban regeneration network. Finally, conclusions are presented and a number of issues raised for discussion and further research.

A Network Perspective

This paper presents a network perspective on public management in the Dutch social housing sector. It describes the policy environment as a network of players where interactions and outcomes are influenced by the interdependence, multiformity and closedness of the parties. One crucial aspect of the network perspective is that the government is not dominant in many policy areas, but is one of the players with its own specific goals and resources. The players in the network cannot achieve their goals single-handedly. They need the resources and co-operation of the other players. To secure these, they must interact with other parties and influence their behaviour and decisions. Often, these interactions take place between a small group of players in patterns that are collectively shaped via formal and informal rules (Koppenjan & Klijn, 2004). Together these elements form the network structure. The concept of ''steering'' concerns the strategies and instruments used to influence the actions of other parties. As we shall discuss later in this article, steering strategies and instruments have to be adapted to the characteristics of the network. We take the view, together with several other authors, that the network perspective has considerable potential as a research framework for public-sector decision-making (Blackman, 2001; Chapman, 2002; Kickert, Klijn & Koppenjan, 1997; Koppenjan & Klijn, 2004; Teisman, 1995). This paper focuses specifically on De Bruijn and Ten Heuvelhof's framework for steering in complex networks (1991, 1995, 1997, 1999).

A complex network can consist of public, semi-public and/or private players. Each player has its own values, interests and objectives, and will try to achieve its objectives by using the resources and instruments at its disposal. It is not only the government that uses steering to influence the other players; indeed, other players also use it to influence the government. However, government and public agencies can still apply imperative (top-down) steering based on legislation. The other players are unable to do this and can only steer by persuasion. Their efforts may be ignored by the players for whom they are intended. We will see, however, that imperative steering offers only limited possibilities in networks. The government derives its legitimacy from its (presumed) commitment to the public interest and its electoral mandate.

129   A network perspective on the organisation of social housing in the Netherlands: the case of urban renewal in The Hague

TOC

§ 5.3 Characteristics of Complex Networks

De Bruijn and Ten Heuvelhof identify three defining characteristics of complex networks (De Bruijn & Ten Heuvelhof, 1995, pp. 30–31): multiformity, closedness and interdependence. These characteristics can have a major influence on the effectiveness of steering initiatives in complex networks. We will show that they can place major obstacles in the way of imperative steering. This does not spell the end of all steering strategies, but rather that they should fit in with the network structure. In the government's case this means a switch from imperative to more volitional steering. In practice the government will frequently apply a combination of imperative and volitional steering. For example, it may try to promote volitional steering instruments, such as multilateral performance agreements between housing associations and municipalities. Or it may threaten more stringent regulation if parties fail to reach an agreement. Without such ''carrots and sticks'' it is unlikely that many parties would be willing to commit themselves to any agreement at all.

§ 5.3.1 Multiformity

Multiformity in a network can manifest itself between and within organisations. We shall illustrate this with examples from the Dutch social housing sector, where numerous parties actively participate, including municipalities, housing associations, tenants' organisations and project developers. These parties have widely differing interests, values and organisational characteristics. Housing associations alone differ in size, financial position and strategy. Some work locally, while others work regionally or even nationally. Some have a very broad customer group, while others target specific groups such as the elderly or students.

Multiformity can exist within organisations. Many network players represent several departments or organisational units. Frequently, these departments also have different interests, values and cultures. A municipality is a classic example of intra- organisational multiformity: the council, the aldermen and the various departments all have their own values, objectives and remits. Multiformity can form an obstacle if a player wants to influence other network participants. Players can react very differently to steering signals. Sometimes they ignore them. However, multiformity can also offer steering opportunities. Differences in values and interests may make an organisation or part of an organisation susceptible to a specific steering signal. After all, not every housing association has a mission to relieve homelessness or realize housing for the elderly. When there are many housing associations in a network, there is a greater chance that some of them will react to a steering signal. Multiformity can therefore have an energizing effect on the network.

§ 5.3.2 Closedness

Unlike players in a hierarchical structure, the participants in a complex network do not automatically respond to external steering signals. This closedness stems from the frame of reference of the respective organisation (De Bruijn & Ten Heuvelhof, 1999, pp.38–40), which in turn is formed by the core values. Organisations are usually sensitive to steering signals that are in tune with their own frame of reference and tend to ignore signals that are not. These mismatches can manifest themselves in two ways. First, the steering signal is contrary to the frame of reference and will provoke active resistance. Second, the steering signal is not related to the frame of reference of the receiver and is ignored.

Closedness can be enhanced by the autonomy of the player (De Bruijn & Ten Heuvelhof, 1999, p.43). Since the mid-1990s many Dutch housing associations have developed into independent, self-aware and professional organisations, often with considerable financial resources. These characteristics make them powerful and desirable partners in local networks. For other players it is often crucial to have some kind of influence on the activities of housing associations, but the autonomy and strength of housing associations can make them less receptive to external steering signals.

De Bruijn & Ten Heuvelhof (1999, p.40) argue that organisations need to be ''closed'' to a certain degree, as receptiveness to all the external signals would disorientate them. Closedness enables organisations to incorporate only a limited amount of the complexity and upheaval into their activities.

Attempts to overcome the closedness of an organisation with hierarchical forms of steering are unlikely to be successful. It takes a lot of energy to break down the barriers and chances are that the players will grasp every opportunity to ignore steering signals. This is exactly what happened when a former Minister of Housing in the Netherlands expressed an ambition to sell a large percentage of the social housing stock. The steering signals were contrary to the frame of reference of the housing associations and were more or less ignored. In fact, the sale of rented homes declined during the minister's period in office, despite the popularity of home ownership.

§ 5.3.3 Interdependencies

A third characteristic of complex networks is interdependence between the different players. Interdependencies develop via the distribution of resources among a large number of players – resources that they need to achieve their goals. Interdependencies

in networks are often very complex, particularly if several different types exist at the same time, such as multilateral interdependencies (more than two parties are mutually dependent), asynchronous interdependencies (dependencies between players differ over time) or sequential dependencies (first A is dependent on B, and then B is dependent on A). Asynchronous and sequential dependencies can even lead to hit-and-run strategies, whereby parties are exploited at their most dependent moments. In the long run these strategies can turn against the players who use them and they can undermine the performance of the network (De Bruijn & Ten Heuvelhof (1999, p.42).

Interdependencies can significantly lower the transparency of a network. Steering signals aimed at only one player will not always be effective, because that player will, in turn, be dependent on other players. For example: to increase the production of new rented housing it will not suffice to address the housing associations, because most of them are dependent on the municipalities for building locations. It is usually impossible to incorporate all the dependencies into one's activities because there are simply too many. Finally, networks with many interdependencies are often sluggish and ineffective. But interdependencies can also lead to important steering opportunities (De Bruijn & Ten Heuvelhof, 1999, p.43). Interdependence tempers the actions of the players and generates respect, because they will probably need each other in the future. Interdependencies in general, and complex interdependencies in particular, can open up avenues of negotiation. The chances of win-win situations are greater when the interdependencies are numerous and diverse.

§ 5.4   **Network Dynamics**

Networks are constantly in transition. This is because of changes in the closedness, interdependencies and the multiformity of the players and their relations. Players come and go. Thus, opportunities to influence other players can change over time. Decision-making and steering is therefore often unpredictable. The absence of a hierarchical structure means that every stakeholder can try to influence the decision-making agenda – not an easy process in a complex network. Interdependencies can necessitate collaborations with many network players in decision-making processes. These players may see the proposed course of action as irrelevant or even detrimental to their interests. Decision-making in complex networks can therefore involve serious conflicts. There are no ''done deals''. New rounds of decision-making, new participants, or changes to the network characteristics can lead to a review of old decisions, possibly with different outcomes.

Steering Strategies

Strategies in complex networks differ considerably from strategies in more hierarchical settings. De Bruijn and Ten Heuvelhof (1997) identify six:

1. *from direct to indirect steering*. In this strategy the government does not send direct steering signals, but tries to indirectly influence a specific player via other players in the network. Another form of indirect steering is to focus on the input instead of the output of a network player;
2. *from generic steering to steering as fine-tuning*. In a generic steering strategy the government does not make a distinction between the players it wants to influence; this is in contrast to fine-tuning where the government takes account of the specific characteristics of players;
3. *steering as serendipity*. In complex networks steering often follows a non-rational course and is frequently unpredictable. The government can use serendipity (coincidence, chance) to try to create a fertile environment in which opportunities for favourable events or developments are likely to occur;
4. *from unilateral to multilateral steering*. This strategy includes negotiating performance agreements in which the government and one or more other players try to agree on the desired behaviour and performances of the parties involved;
5. *from the application of steering instruments to steering as network management.* Besides using steering instruments the government can change the characteristics of the network by trying to modify the closedness, interdependencies and multiformity of players;
6. *from steering by directives to steering as network constitution*. The government can try to change the number of players in the network by encouraging new parties to join or by modifying the organisational or institutional characteristics of existing players (including the government).

§ 5.4.2 **Steering Instruments**

De Bruijn and Ten Heuvelhof (1997) make a distinction between first- and second-generation steering instruments. The first-generation steering instruments include the more traditional directives and commands based on legislation. The second-generation instruments focus on more volitional methods of steering. De Bruijn and Ten Heuvelhof distinguish the following sets of instruments:

133   A network perspective on the organisation of social housing in the Netherlands: the case of urban renewal in The Hague

TOC

– *Multilateral instruments.* These instruments include performance agreements, covenants, gentlemen's agreements and contracts. The essence of multilateral instruments is that different parties commit themselves mutually and voluntarily to specific goals and actions.

– *Person-specific instruments.* This may be a person who is placed in an organisation to exert an influence on the actions of the players. For example, a government official may be appointed to the supervisory board of a housing association. This person then operates as a kind of steering instrument.

– *Incentives.* Positive (subsidies) and negative (levies, fines) incentives motivate players to change their behaviour or focus on specific targets. This is still volitional steering, because players cannot be forced to change their behaviour.

– *Performance indicators.* The government negotiates with network players to measure their performance on the basis of pre-agreed quantitative variables. The impact (rewards, sanctions) of the performance measurement must also be agreed in advance.

– *Communication.* The government can try to influence the behaviour of players in the network by distributing specific information and best practices.

Though De Bruijn and Ten Heuvelhof (1997) had the government in mind when describing these steering strategies and instruments, they can still be used by other players – with one important difference: the government can use first generation instruments (or hold them in reserve) to reinforce the use of second-generation instruments.

§ 5.5 The Social Rented Sector in the Netherlands

§ 5.5.1 The Dutch Social Rented Sector in International Perspective

This study examines the performance of the financially independent housing associations in the Netherlands. Governments in many countries are cutting housing subsidies and phasing out state-funding in housing. Discussions are probably taking place on the position of social rented housing in these countries as well, but in some respects, the Dutch case is unique.

The Dutch social rented sector covers 35% of the total housing stock. This substantial market share is remarkable in an international perspective, with the UK in second place with 20% of the stock. In most European countries the social rented sector accounts for less than 10% of the housing stock (Whitehead & Scanlon, 2004).

The financial relationship between the government and the housing associations is another remarkable feature of the Dutch housing system. In most countries social housing associations can count on government subsidies for the construction of housing (Whitehead & Scanlon, 2004). This implies that the governments can then influence the behaviour of housing associations via subsidies and application criteria. The Netherlands is the only country that has recently abolished subsidies in the social rented sector. This has drastically curtailed the steering possibilities for the Dutch government.

The Transformation of Dutch Social Housing in the 1990s

A policy document on public housing in the 1990s, published by the State Secretary for Housing in 1989, ushered in a new era for the social rented sector and continued the trend to independence that had started in the 1960s (Van der Schaar, 1987). The document stressed the importance of private initiative in the social rented sector as this would enable people to decide for themselves on the nature of their commitment to the idea of social rented housing. It went on to state that housing associations had an important part to play in providing adequate housing for all, as laid down in the Dutch Constitution. It also laid down guidelines for increasing the financial independence of the housing associations, with the Central Housing Fund (CFV in Dutch) and the Guarantee Fund for Social Housing Construction (WSW in Dutch) as the main policy instruments. The Central Housing Fund is a government agency which takes remedial action if housing associations get into financial difficulties. Housing associations are responsible for funding the CFV. The WSW is a private body that guarantees housing association loans. A small portion of these guarantees are backed by a government warranty. These securities provide a robust safety net that gives housing associations a triple A rating on the credit market.

The policy document Public Housing in the 1990s ''Heerma 1989'' proved the stepping-stone towards financial independence for the housing associations. The final step would not be taken till 1995, and even then it was not premeditated. This "grossing and balancing operation'' involved cancelling out all government loans against current subsidy obligations. It was at this stage that the bricks and mortar subsidies for housing associations were abolished.

Though fully independent financially, the housing associations still required authorisation under the terms of the Housing Act. Their responsibilities and operating conditions were laid down in the Social Rented Sector Management Order (BBSH in Dutch), a separate government order based on the Housing Act. The BBSH stipulated that approved housing associations are responsible for providing good,

135   A network perspective on the organisation of social housing in the Netherlands: the case of urban renewal in The Hague

TOC

affordable housing for people who are unable to pay market rents. Since the 1990s the public remit of the housing associations has been extended. In 1997 the quality of neighbourhoods was added to the list of performances in the BBSH. In the same year a new urban renewal strategy was presented in the Memorandum on Urban Renewal (MVROM, 1997) (see Priemus, 2004). Social housing was now considered part of the problem rather than part of the solution, as it was in the 1970–80s. If cities were to retain their vibrancy then higher income groups must be persuaded to stay in them. One way of achieving this is to replace social housing with more expensive rented and owner-occupied housing. The housing associations have become an important instrument in achieving the policy objectives of local as well as central government.

The ministry entrusts the performance of social housing associations to the self-regulating capacity of the sector and the development of performance agreements between local government and social housing associations as described in the BBSH. Some self-regulating instruments have been developed by Aedes, the national umbrella organisation for housing associations, others by (groups of) housing associations. Legally, the government is still the overseer.

A lively debate is being waged at the moment on the performance of housing associations in urban renewal. People are questioning whether self-regulation in the social rental sector, agreements at local level and the supervisory role of central government are enough to deliver satisfactory results.

§ 5.6   **Case Study: The Hague**

To provide more insight into the operations of complex networks we conducted a case study on the performance of social housing associations in The Hague (Van Bortel & Elsinga 2005). With approximately 460,000 inhabitants, The Hague is the third largest city in the Netherlands (after Amsterdam and Rotterdam).

This study analyses the current constellation, paying particular attention to how it works at local level. The aim is to unravel the influence which the workings of the network and the steering instruments have on the outcomes, as perceived by the participants, for the performance in urban renewal.

Three research questions were addressed:

— Which parties are involved in the urban renewal network of The Hague? How can their relationships be described in terms of interdependence, closedness and multiformity?
— What kind of steering instruments are used in The Hague and how effective are they?
— How is the performance of housing associations in urban renewal measured and evaluated by players in the network?

§ 5.6.1 **Examining the Urban Renewal Network in The Hague**

The first research question was addressed by examining the parties involved in the urban renewal network of The Hague and their interactions. The number of potential players in the urban renewal network is large. To get a picture of this network we conducted 25 semi-structured interviews with local and central government officials and representatives from tenants' organisations, housing association management and healthcare organisations. The interviews took place towards the end of 2004 and focused on the relations between the housing associations in The Hague and the other players in the network. We also studied the closedness, multiformity and interdependencies in the network and the way in which the players evaluated the performance of housing associations. Relevant documents were reviewed such as annual reports, policy memoranda and other publications.

§ 5.6.2 **Players and interactions.**

It soon became evident from the interviews with network participants that the urban renewal network in The Hague is dominated by relations between the social housing associations and the municipality. The interactions between these players appear to have a substantial influence on the pace and quality of urban regeneration processes. Co-operation with other players, such as healthcare organisations and commercial real estate developers, is less intense.

Tenant participation in the urban renewal process is limited. According to one respondent, The Hague has never had a very strong tradition in tenant participation. The position of tenants was further weakened by the perceived necessity in the mid-1990s to accelerate the urban renewal process. This sense of urgency was based on market surveys that predicted the potential redundancy of large numbers of apartment blocks. To speed up the process of urban renewal the most powerful players in the network – the municipality and the social housing associations – limited the number of participants and thus – perhaps unintentionally – reduced its complexity and multiformity.

Co-operation between the municipality and the social housing associations is based on a number of performance agreements and contracts, which stipulate the responsibilities of the parties, their financial commitment and the targets that have to be met. At municipal level these agreements are more like letters of intent. At neighbourhood level they are more precisely formulated and contain provisions for monetary fines if targets are not met.

Collaboration between housing associations in The Hague is limited. They have committed themselves to mutual performance agreements, but usually work individually to achieve the agreed targets. The social housing associations in The Hague make very little use of one another's capabilities. This is partly because they work in separate neighbourhoods.

§ 5.6.3   Complex Network Characteristics

All three characteristics of complex networks that we discussed above, multiformity, closedness and interdependencies, could be found in the case study of The Hague.

Multiformity

Multiformity as identified by De Bruijn and Ten Heuvelhof (1999) was evident in The Hague. We found divergence in organisational forms, core values and goals as dimensions of multiformity. The social housing associations in The Hague all have large housing stocks and large workforces, which are split into several departments. This fragmentation of players into different organisational elements makes the network in The Hague more complex. The span-of-control of these organisations is stretched in such a way that multiformity in the values and behaviour of players is inevitable. The same can be said of the municipal organisation of The Hague.

The second form of multiformity identified by De Bruijn and Ten Heuvelhof concerns differences in values and policy rationalities. The research results revealed large differences between the core values and goals of the municipality and the housing associations. They are often unaware of these differences and apply their own frame of reference to judge the actions of the other parties. The players' ''line of reasoning'' is different because their goals are different. This is one of the aspects of closedness that we will discuss later.

The Municipality of The Hague, for example, wants its population to expand to 500,000. As building space is limited, the council wants to create more homes by

building high-rise apartments. This line of reasoning is based mainly on political ambitions and urban planning rationalities. The managing boards of the housing associations in The Hague tend to take a different view and are much more wary. They believe that the development of high-rise apartments involves a considerably higher risk than low-rise buildings. The social housing associations display a more financial, risk-averse and market-focused rationality.

Multiformity in organisational structure and core values can stand in the way of co-operation, but it can also lead to opportunities. We found some evidence of this in the case study. For example, representatives from the municipal project development department were working closely with housing association officials in an urban renewal project. The representatives themselves described it as a case of ''personal chemistry''. Remarkably enough, the emergence of this personal chemistry was largely credited to an independent advisor who participated in the process and could bridge the differences between the players.

Closedness

Network players in The Hague are often unwilling or unable to pick up steering signals from other players in the network. For instance, social housing associations and the municipality co-operate intensively on the development of urban renewal plans. They seem to ignore external signals from tenants' organisations or other players that the urban renewal process is exacerbating the shortage of affordable housing for low-income households.

During the development process the municipality and housing association send out information about urban renewal projects but do not receive any. Residents are informed but not seriously consulted. This closedness was only assuaged after social housing associations and the municipality reached an agreement on key points in the urban renewal projects, such as urban planning, building programmes and finance. Tenants' organisations feel that they can have very little influence on the plans at such a late stage in the process and are forced into a negatively critical role. They feel that more timely involvement would lead to more positive participation on the part of the tenants. Remarkably enough, the fact that participation by tenant organisations starts at such a late stage in the planning process has very little influence on their appreciation for the way they are informed about the restructuring plans. They were quite satisfied on this point. The problem is not information, but the lack of real participation.

The types of closedness found in the case study are highly reminiscent of the concept of ''environmental enactment'' described by Weick (1995,p.30). Weick argues that there is no such thing as ''the'' environment. The players and their environments

are inextricably intertwined. Weick: ''People create their environment and their environment creates them''. In this concept the environment is a construct based on stimuli generated by the actions of the players. This phenomenon is illustrated by an example from the case study. Representatives of the Municipality of The Hague found that housing associations were not transparent about their financial capability to execute urban renewal projects. This ''closedness'' could very well originate from the municipal eagerness to gain access to housing association resources, a tendency frequently mentioned by housing association officials.

Interdependence

When it comes to urban renewal, housing associations and the municipality are tied together in an intricate web of interdependencies. The housing associations own the majority of the housing stock in urban renewal neighbourhoods and have substantial investment power. The municipality can provide the democratic backing. Approval by the Municipal Council can lend legitimacy to urban renewal operations. Moreover, social housing associations are dependent on the municipality for numerous licences and authorizations, such as building permits, demolition permits, permission to subdivide and sell parts of their housing stock.

We found in The Hague that interdependence is a strong indicator of the position of the players in the network and the possibilities to successfully use steering instruments. The level of interdependence is illustrated in [Table 5.1].

The case study illustrates that interdependencies can serve as a ''crowbar'' to open up the arena and breach the closedness of the players. Working with interdependencies can lead to creative solutions. This is illustrated by the way in which performance agreements have come about in The Hague. The land on which most homes in The Hague are built does not belong to the social landlords but is distributed under long-term lease and thus remains the property of the Municipality of The Hague. The housing associations pay a land-lease fee. Any action that changes the land use or increases its value can push up the fee. This is what happens when housing associations sell their rented homes or replace low-rent houses with high-value apartments. Both situations exist in urban renewal areas in The Hague. The Municipality of The Hague insists on payment of the additional land-lease fee, much to the dismay of the housing associations, who find this unreasonable in view of their own unprofitable investments in the transformation of the housing stock. After protracted negotiations the municipality decided to divert the additional land-lease fee into urban renewal investments, provided the housing associations took responsibility, not only for the transformation of the housing stock, but also for the regeneration of public space in urban renewal areas (formerly the responsibility of the municipality). In this case the interdependencies between the municipality and the housing associations led to a new distribution of responsibilities and investment commitments.

	HOUSING ASSOCIATIONS
Central governement	*
External supervision by the Central Housing Fund	***
Tenants	*1
Health and welfare organisations	*
Housing associations	**

TABLE 5.1 Level of interdependence between actors in the urban renewal network of The Hague
***=high, **=moderate, *=low

1 The interdependence between housing associations and their tenants is out of balance. Due to the housing shortage, housing associations are not very dependent on their tenants, but most tenants are totally dependent on housing associations for low-cost housing.

The interdependence between social housing associations and their tenants is limited. In urban renewal projects tenants are in a relatively weak position. Significant housing shortages mean that there is no market pressure to make social housing associations take serious account of the demands of low-income tenants. New housing in restructuring areas is usually intended for middle- and high-income households, not for the current low-income tenants. The activities of housing associations and the municipality appear to focus mainly on winning the tenants' co- operation in the urban renewal plans. There is hardly any real tenant participation in strategic decision-making. To ensure smooth collaboration, consideration is given to good and timely communication with the tenants about the restructuring plans and, in case of demolition, the careful relocation of tenants.

§ 5.6.4   Steering Instruments and Self-regulation in The Hague

The third research question in the case study concerned the steering instruments used in The Hague and their effectiveness. In this section we provide a summary of the steering instruments and the self-regulation instruments in the Dutch social housing sector and determine how far they are used in The Hague. We also investigate the effects of these instruments on the performance of housing associations in The Hague [see Table 5.2 below].

INSTRUMENT	CURRENT EFFECTIVENESS
External supervision by the Ministry of Housing	*
External supervision by the Central Housing Fund [1]	***
Internal supervision	**
Performance agreements	***
Benchmarking (Aedex)	*
Code of conduct (Aedes Code)	*
External Review	*

TABLE 5.2 Effectiveness of steering instruments on performance in the urban renewal of The Hague (as assessed by network players).
***=high, **=moderate, *=low
1 Network players rate the effectiveness of external financial supervisor (Central Housing Fund) as high, but the impact on performance as low.

External supervision

Two different organisations are responsible for the external supervision of housing associations: the Ministry of Housing, Spatial Planning and the Environment and the Central Housing Fund. The Dutch Housing Ministry is responsible for the overall supervision of housing associations, focusing especially on the legitimacy of the activities of social housing associations and the demarcation of the area in which they may operate (MVROM, 2004).

The second party involved in external supervision of housing associations is the Central Housing Fund (Centraal Fonds Volkshuisvesting). The Central Housing Fund is an independent agency that executes supervisory tasks for the Ministry of Housing, mainly in relation to the management of financial resources by social housing associations. The Central Housing Fund uses a risk-based system to assess the financial position of housing associations. The higher the risk and the weaker the financial position of the association, the stricter the supervision. This can ultimately lead to intervention by the Central Housing Fund (Centraal Fonds Volkshuisvesting, 2005).

The external supervision in The Hague is similar to the situation at national level. External supervision of the performance of housing associations in urban renewal is almost non-existent. Financial supervision appears to function well, but it is not focused on performance in urban renewal.

Internal supervision

The Social Housing Sector Management Order (BBSH), first published in 1993, introduced the Board of Supervision, a new body in the social housing sector. The Board of Supervision can be compared with the non-executive Board of Directors in profit-making organisations. Its main tasks are to supervise the policy and the general handling of affairs in the housing associations and to advise the management on strategic issues. Members of the board are co-opted. Two members of the board (generally consisting of 5–7 members) must be elected via nomination by tenant organisations. Despite this, criticism of boards is increasing (Centraal Fonds Volkshuisvesting, 2003). Most board members seem to focus on financial issues and neglect the question of social housing. In general, supervision by the board is not very transparent and the operations are unsupervised. Board members are insufficiently critical of their own performance (Centraal Fonds Volkshuisvesting, 2003). Recent publications on the Dutch social housing sector propose a stronger position for the supervisory board combined with strict supervision and more scope to impose sanctions on boards which are underperforming (Commissie De Boer, 2005; Conijn, 2005; SER, 2005; WRR, 2004). The internal supervisory boards of the housing associations in The Hague focus mainly on financial and organisational matters. The performance of the housing association in urban renewal receives far less attention, though there has been some improvement. This lack of attention appears to be caused by a certain reluctance on the part of the supervisory board to interfere in the responsibilities of the management. As a result, the board members fail to closely monitor some key performance areas, including urban renewal.

Local performance agreements

A comparatively new instrument in Dutch housing governance is the ''local housing covenant''. These covenants consist of a number of agreements between the municipality and the housing associations on social housing issues, such as urban renewal, building production and the number of affordable homes (Van Grinsven & Kromhout, 2004). The social housing associations and the Municipality of The Hague have committed themselves to several multilateral and bilateral performance agreements at local and regional level. These agreements appear to be working, but the process was long and hard. Parties seemed pleased to have finally reached some form of mutual understanding.

Code of conduct for housing associations

Aedes, the umbrella organisation for the social housing sector, has drafted a code of conduct for its members (the ''Aedescode''). Though all the housing associations in The Hague have ratified the Aedescode, they do not apply it much (Commission

143   A network perspective on the organisation of social housing in the Netherlands: the case of urban renewal in The Hague

TOC

Aedescode, 2003). At the moment this code contains only very general directives. On the basis of the research results we conclude that it has no substantial influence on the performance of social housing associations. Aedes is currently working on a new code with stricter and more specific guidelines.

Quality standards

Dutch housing associations have been making greater use of quality standards in recent years. The Dutch social housing sector has developed a quality label (KWH) specifically for rented housing. This label sets standards for the service to tenants, but contains no performance targets. Up till now the KWH label is used by 171 housing associations (35%) and the number is still growing rapidly. Some housing associations use quality systems based on ISO-9001:2000 standards. Much more widely used is the ''INK Management Model'', a Dutch variation on the Excellence Model of the European Federation for Quality Management (EFQM). The KWH label is used by some housing associations in The Hague. Some have also implemented other quality systems.

Benchmarking

For some time now indicators have been collated of the performance of housing associations. These consist mainly of financial data, rental indicators and figures on the production of new homes and the transformation of the existing housing stock. Performance figures in the social housing sector are collected by Aedes, by the Ministry of Housing, by the Central Housing Fund and several accountants firms. Housing associations receive individual benchmark reports assessing their performance compared with similar organisations. None of these organisations publish the results for individual housing associations. Only aggregated results are published. All housing associations in The Hague use this data to assess their performance.

More recently, a number of housing associations developed the ''Aedex'', a real estate index comparable with the IPD indices used by commercial real estate investors. The Aedex measures the profitability of housing associations and the difference between this figure and the profitability that could be achieved by pursuing a commercial strategy. This difference, also called ''dividend to society'', is assumed to be the profitability that housing associations do not realise because of their non-profit character. The benchmark for the financial performance (Aedex) is used by one of the three housing associations in The Hague. But the Aedex benchmark does not assess performance in urban renewal.

External review/peer review

A few years ago Aedes introduced external reviews as a new instrument for the social housing sector. An external review checks out the quality of stakeholder relations and the policy development and deployment process. It is conducted by a small group of experts from the housing sector, consultancy firms and other relevant backgrounds. External reviews are voluntary. Until 2004 only 5% of Dutch housing associations had participated in one. No social housing association in The Hague has carried out an external review or has any intention of doing so in the near future. They see themselves as capable of evaluating their own policy process and stakeholder relations and organizing feedback.

§ 5.6.5   **Performance in the Regeneration of The Hague**

From a network perspective, there is no dominant player that can unilaterally dictate the goals in urban regeneration. Possible yardsticks for assessing the performance of housing associations are the goals laid down in the multilateral performance agreements with the Municipality of The Hague.

In general, the stakeholders appear satisfied with the performance of social housing associations in The Hague. Run-down housing is replaced or upgraded and new houses are being built at a considerable speed. Social housing associations are also actively improving living conditions and security in neighbourhoods. Haaglanden region has managed to lower the share of low-income households in The Hague and to increase it in other municipalities in the region.

One shortcoming in the performance agreements is that other stakeholders, including tenants' organisations, are not represented. Tenants' organisations feel that the decrease in affordable rented homes is making it more difficult for low- income households to find decent housing.

§ 5.7   **Conclusions**

The Dutch social housing sector has the largest (36%) market share in Europe. People are asking if the current housing system is delivering satisfactory results, given its independent position and substantial financial resources. This question is especially relevant in urban regeneration processes. This paper elaborates on the urban

145   A network perspective on the organisation of social housing in the Netherlands: the case of urban renewal in The Hague

TOC

renewal network at local level, it describes the players in the network and their inter-relationships, the role of steering instruments and the evaluation of the outcome of the network.

Based on our research findings in The Hague, the complex network approach to the organisation of the social housing sector appears to be a valuable addition to the spectrum of research methods. The micro-level perspective of the network approach makes it a useful tool for investigating the interactions between players and the use and effectiveness of steering instruments.

The case study results confirm that relations between players in the urban renewal of The Hague can be characterized as a complex network. Key network characteristics, such as closedness, interdependencies and multiformity, are all present in urban regeneration network of The Hague. The housing associations and the municipality appear to be the most dominant players in the network. Tenants have a relatively marginal position.

Players with the most powerful positions (housing associations and the municipality) in the network are satisfied with their performance in urban renewal. Tenant organisations appear unable to convert their wishes into satisfying results either as a player in the network or as a stakeholder in the housing associations or as a voter of the municipal council. This raises the issue of whether the urban renewal network is complete, definitely a subject for further research.

The case study revealed that very few steering instruments used in The Hague can secure or improve the performance of social housing associations in urban renewal. The various self-regulating instruments developed by the Dutch social housing sector do not appear to have made any substantial contribution to the urban renewal performance of The Hague [see Table 5.2]. Self-regulation is still used very sparsely. The local housing associations seem reluctant to use these instruments. As a result, there is no real transparency in their decision-making process or their performance. Although the urban renewal network in The Hague has little checks and balances aimed at securing the performance of housing associations, the main driving force in urban renewal seems to originate from the close personal co-operation between representatives from different parties. Respondents say that ''social commitment'', ''personal chemistry'' and ''local social entrepreneurship'' have a substantial influence on results in urban renewal. However, the presence of these elements in the urban renewal network of The Hague is more or less coincidental. They are not secured or managed in any way – thus suggesting another avenue of research in this project.

References

....

Blackman, J. (2001). Complexity theory and the new public management. *Social issues 1:2, electronic journal*: www.whb.co.uk/socialissues.

Chapman, J. (2002). *System failure: why governments must learn to think differently*. London: Demos.

Centraal Fonds Volkshuisvesting (CFV). (2003). *Tussen Regels en Rolopvatting* [Between rules and role conception]. Naarden: CFV.

Centraal Fonds Volkshuisvesting (CFV). (2005). *Verslag financieel toezicht woningcorporaties 2003* [Financial supervision of housing associations 2003]. Naarden: CFV.

Commisie Aedescode. (2003). *Jaarverslag Commissie Aedescode 2003* [Annual report Commission Aedescode 2003]. Hilversum: Aedes.

Commissie De Boer. (2005). *Lokaal wat kan, centraal wat moet; nieuw bestel voor woningcorporaties* [Local if possible, centralized if necessary; a new governance framework for housing associations]. Hilversum: Aedes.

Conijn, J. (2005). *Woningcorporaties: naar een duidelijke taakafbakening en een heldere sturing* [Housing associations: towards clear responsibilities and transparent steering]. Amsterdam: RIGO Research & Advies.

De Bruijn, J.A., & Ten Heuvelhof, E.F. (1991). *Sturingsinstrumenten voor de overheid, over complexe netwerken en tweede generatie sturingsinstrumenten* [Steering instruments for the government, about complex networks and second generation steering instruments]. Houten: Stenfert Kroeze.

De Bruijn, J.A., & Ten Heuvelhof, E.F. (1997). Instruments for network management. In W.J.M. Kickert (Ed.), *Managing complex networks* (pp. 119–136). London: Sage Publications.

De Bruijn, J.A., & Ten Heuvelhof, E.F. (1995). *Management in netwerken* [Management in networks]. Utrecht: Lemma.

De Bruijn, J.A., & Ten Heuvelhof, E.F. (1999). *Netwerkmanagement, strategiee¨n, instrumenten en normen* [Network management, strategies, instruments and standards]. Utrecht: Lemma.

Heerma, E. (1989). Nota Volkshuisvesting in de jaren negentig [Policy document Housing in the nineties]. The Hague: SDU.

Kickert, W.J.M., Klijn, E., & Koppenjan, J.F.M. (1997). Managing complex networks; strategies for the public sector. London: Sage Publications.

Koppenjan, J.F.M. & Klijn, E.H. (2004). *Managing uncertainties in networks*. London: Routledge.

MVROM. (1997). *Nota Stedelijke Vernieuwing* [Memorandum on urban renewal]. Den Haag: MVROM.

MVROM. (2004). *Toezichtsverslag: Analyse van de sociale huursector 2002* [Supervision Report: Analysis of the social housing sector 2002]. The Hague: VROM.

Priemus, H. (2004). Housing and new urban renewal: current policies. *European journal of housing policy, 4*(2), 229–246.

Social Economic Council of the Netherlands (SER). (2005). *Ondernemerschap voor de publieke zaak* [Entrepreneurship for the public cause]. Den Haag: SER.

Teisman, G.R. (1995). *Complexe besluitvorming: een pluricentrisch perspectief op besluitvorming over ruimtelijke investeringen*. [Complex decision-making, a pluricentric perspective on decision making in spatial investments]. Den Haag: Vuga.

Van Bortel, G.A. & Elsinga, M.A. (2005). *Prestaties van woningcorporaties in de stedelijke vernieuwing, case study Den Haag* [Performance of housing associations in urban renewal, case study The Hague]. Delft: OTB.

Van der Schaar, J. (1987). *Groei en bloei van het Nederlandse Volkshuisvestingsbeleid*. [Growth and flowering of Social Housing Policy in the Netherland]. Delft: Delft University Press.

147   A network perspective on the organisation of social housing in the Netherlands: the case of urban renewal in The Hague

TOC

Van Grinsven, A., & Kromhout, S. (2004). Prestatieafspraken tussen gemeente en woningcorporaties, analyse van de overeenkomsten in 2003 [Performance agreements between municipality and housing associations, analysis of agreements in 2003]. Amsterdam: RIGO Research & Advies.

Weick, K.E. (1995). *Sensemaking in organisations*. Thousand Oaks: SAGE Publications.

Whitehead, C., & Scanlon, K. (2004). *International trends in housing tenure and mortgage finance, Council of Mortgage Lenders Research Report*, November 2004.

WRR [Scientific Council for Government Policy]. (2004). *Bewijzen van goede dienstverlening* [Proofs of good service provision]. Amsterdam: Amsterdam University Press.

6 Network governance in action: the case of Groningen complex decision-making in urban regeneration

Gerard van Bortel,
Journal of Housing and the Built Environment, 24(2), 167-183.

Abstract

Theories on network governance constitute a promising approach to a better understanding of complex decision-making and problem-solving. Network theories are increasingly used in housing research. In this paper we present case-study findings on urban regeneration decision-making in Groningen, a medium-sized city in the North of the Netherlands. We used a network governance approach as an analytical framework. Social landlords and local government in Groningen have been collaborating in urban regeneration processes for many years. In 2006 negotiations between these actors on a renewal of the Local Urban Regeneration Covenant ran into difficulties and encountered seemingly insurmountable differences of opinion. These difficulties were largely caused by the increased complexity of the decision-making process, the large number of actors involved and a shift in focus from 'bricks-and-mortar' investments to a more balanced approach including social and economic aspects of urban regeneration. In this paper we analyse decision-making on urban regeneration policy in Groningen over the past 10 years. The outcomes of the case study demonstrate the usefulness of the network approach as a framework to analyse decision-making processes. The paper also identifies strategies used by actors in the field to successfully deal with complexities and uncertainties in networks.

Keywords

Network governance, Urban regeneration, Housing associations, Groningen

Urban renewal policies are generally laid down in area action plans, master plans or covenants. The development of these plans involves many government, market, third-sector and com- munity actors. Due to its complexity these decision-making processes often end up in deadlock or exclude weak actors like residents (Swyngedouw, 2005). Network governance theorists have developed frameworks that claim to increase our understanding of these processes and provide instruments to cope with the complexity of contemporary public-sector decision-making (Koppenjan & Klijn, 2004). In this article we put the network governance framework to the test by analysing resent urban regeneration decision-making processes in Groningen (The Netherlands) concerning the renewal of the Local Urban Regeneration Covenant.

Understanding and influencing complex regeneration decision-makin

In Section 6.2 we introduce the network governance approach and discuss important characteristics of networks such as pluriformity, closedness, interdependency and dynamics. We investigate the uncertainties connected with problem-solving and decision-making in complex networks and offer possible solutions for handling complexity and uncertainty. We continue in Section 6.3 with a summary of shifts in governance in urban renewal and affordable housing provision. Starting on a European level, we subsequently summarize the institutional context of the social housing sector in the Netherlands and continue by describing the urban renewal network in Groningen. In Section 6.4 the decision-making dynamics in Groningen are analysed using network governance concepts. We conclude this paper (section 6.5) by discussing the usefulness of the network approach as an analytical framework and as a toolbox to be used by practitioners in the field.

Research design

This article presents preliminary results from an on-going doctoral research project that explores the shifts in housing governance and will focus on the role and position of social landlords in urban decision-making processes in England and the Netherlands. Data for this article was gathered by conducting 25 interviews with key informants from housing associations and the Groningen local authority. The interviews were conducted by the author in collaboration with two City Council officials in preparation of a policy conference to renew the local area agreement, the Local Urban Renewal Covenant.

The interviewees included three aldermen as well as the development, planning and finance managers from the housing associations that were involved in urban renewal and their counterparts within the Groningen City Council. The interviews were structured around three types of network uncertainty as identified by Koppenjan and Klijn (2004), i.e. substantive, strategic and institutional uncertainties. We will discuss these uncertainties in greater detail in section 6.2.4. The following topics were raised during the interviews:

1 Strategies and ambitions of the own organisation;
2 Evaluation of past decision-making processes;
3 Possible efficiency gains in 'bricks-and-mortar' investments;
4 Social investments issues;
5 The coordination and management of urban regeneration interventions.

In addition to interview data, the findings presented in this paper are based on desk research involving policy documents and meeting notes and the participant observation of a high-level policy conference. The interviewees did not include any residents' representatives because the latter did not participate in the policy conference that constitutes an important focal point in this article. In a later phase however, residents were involved in public consultation on the results of the negotiations between the City Council and the housing associations.

The author had exceptional access to urban renewal decision-making in Groningen. This was because of his 8 years of experience as a practitioner working for a housing association in Groningen from 1996 to 2004 and in 2006 as an external facilitator at a crucial stage in decision-making concerning the renewal of the Local Urban Renewal Covenant. The danger of researcher bias due to this intimate connection with actors in the Groningen urban renewal network is limited, however. This researcher has no formal connections with actors in Groningen and no stake in the outcomes of decision-making processes. In addition we will use other independent external assessments of urban renewal decision-making in Groningen and the level of resident participation in the concluding section of this article (Van Hulst et al., 2008; Van de Wijdeven & De Graaf, 2008).

Understanding governance networks

Network theory

In this paper we use a network governance approach to increase our understanding of complex decision-making in Groningen. Mullins and Rhodes (2007) identify several strands of network/systems theory in the field of housing research. They distinguished the following key strands of network concepts: (1) policy networks (2) network governance (3) supply networks/chains (4) organisational fields and (5) complex systems. Mullins and Rhodes synthesized these strands of network analysis into five overarching themes and interests:

1 a common emphasis on the way in which relationships between organisations affect the behaviour of individual organisations;
2 a recognition that the shape and structure of the network in which organisations operate can have significant implications for decision-making;
3 an interest in the way in which policy interventions are and should be structured in governance networks;
4 a shared interest in the way in which organisations adapt to changes in their environment and seek to influence these changes;
5 an interest in the boundaries of networks and the different levels of decision-making that influence what happens in networks.

We have chosen to use the network governance strand to increase our understanding of decision-making processes because this approach specifically targets the relations between interdependent actors and the interactions that result from decision-making processes in situations where there is no dominant actor (see De Bruijn et al., 2002; Kickert et al.,1997; Klijn et al., 1995; Koppenjan & Klijn, 2004; Klijn & Koppenjan, 2007; Sørensen & Torfing, 2007).

How governance networks work

The process of network formation is driven by interdependencies that induce actors to negotiate with others to attain the resources needed to achieve their goals. Their interactions lead to the formation of rules that are sustained by and changed through these interactions (Koppenjan & Klijn, 2004). These interactions create relationship

patterns that over time acquire more robustness. Relationship patterns create formal and informal rules for future interactions. And it is these rules and patterns of interaction that constitute a 'network'.

Koppenjan and Klijn describe series of interactions as 'policy games'. The actors' resources and their strategic behaviour determine their position in the network. Actors do not select strategies at random but are guided by their own objectives and perceptions, their own stakes in the outcome and the strategies of other participants. Policy games take place in activated parts of a network called 'arenas'. A game may consist of multiple arenas and game rounds. Each round is concluded by a crucial decision or event, for example the signing of a covenant or -in a less positive sense- a major conflict. The developments and outcomes of decision-making are influenced by the strategies the actors use. These strategies can lead to breakthroughs but also to blockages and deadlocks in the decision-making process.

§ 6.2.3 Characteristics of complex networks

De Bruijn et al. (2002) identify four characteristics of networks that have a major influence on the level of complexity and the nature of decision-making processes. We will give a short overview of these characteristics and illustrate them with examples from the Groningen case. The four characteristics are: (a) Pluriformity; (b) Closedness; (c) Interdependency; (d) Dynamics.

Pluriformity

The level of pluriformity is reflected in the number of actors involved in the governance network and their organisational characteristics. Furthermore, pluriformity is influenced by the variety of goals and perceptions of network actors. In Groningen the number of social landlords involved in urban renewal projects is limited. Due to mergers this number decreased from nine in the 1980s to only five in 2008. In addition, few local authority departments are involved in the bricks-and-mortar urban renewal, and Groningen has no devolved municipal structure. In comparison, Amsterdam has 14 housing associations and five borough authorities with devolved housing policy responsibilities. However, as we will discuss later in this paper, the number of actors involved in urban renewal decision- making in Groningen has increased considerably due to the inclusion of more social objectives in urban regeneration policy.

Groningen has a long tradition (since the 1970s) in developing mutual urban renewal goals. These have been formalized in local area agreements between housing associations and the local authority, thereby limiting the level of pluriformity in goals and perceptions. In addition social landlords and the Groningen City Council are used to jointly commissioning housing market research. They have established an organisational structure to coordinate urban renewal decision-making and implementation, thereby further decreasing pluriformity.

Interdependency

Interdependencies in a network originate from the fragmentation of resources among actors. Actors need these resources to attain their own goals. Therefore they often need to collaborate with other actors. The resources range from financial grants, loans, building locations, building permits and public endorsement of plans to democratic anchorage by the city council. For example, housing associations in the Netherlands are often strongly dependent upon local authorities to provide building locations. Municipalities, on the other hand, need social landlords as delivery vehicles for new affordable homes and urban regeneration. This is especially the case for the development of new affordable housing, as each municipality has a limited number of housing associations active in its territory.

An additional form of interdependency was introduced in Groningen by the recent shift from bricks-and-mortar investments towards an approach balancing the social and physical investments. This resulted in an increased emphasis on initiatives aimed at social targets like crime prevention, supporting multi-problem families, creating opportunities for the long-term unemployed and tackling the school dropout problem.

Closedness

A third element of complex decision-making is closedness. Actors in a network are not automatically sensitive to external steering interventions by the state or other government agencies. National and local governments are no longer dominant actors that can coerce other actors to implement government policy. This is illustrated by the inability of the Dutch housing minister in the 1990s to increase the number of social rental homes being sold. The central government's goal was ignored by most housing associations (Van Bortel & Elsinga, 2007).

De Bruijn et al. (2002) argue that organisations need a certain degree of closedness, because receptiveness to all external signals would send them adrift without a fixed aim or objective. Closedness enables organisations to retain their focus and incorporate only a limited amount of the complexity and environmental turbulence into their

activities. Closedness is often the result of the power and autonomy of the actor(s) involved. Autonomous actors do not usually need the resources offered by other actors and can subsequently simply ignore their initiatives.

Closedness can also be found in Groningen. It is known that actors (housing associations and local authorities) are used to working towards mutually supported urban renewal policies and that they jointly commission housing market research. However, the interviews with municipal representatives suggest that housing associations were not really inclined to listen to the local government's plea to financially support social investments until they identified this as a source of leverage to advocate their wish for more efficient project development procedures.

The difficulty of accessing decision-making arenas is another form of closedness that was very prominent in Groningen. Local authorities and housing associations worked very closely together in the development of an urban regeneration strategy. Important decisions were discussed and agreed upon before they involved other actors. De Kam (2004) argues that the intensive relations between the local authority and housing associations resulted in formidable entry barriers for outsiders like commercial real estate developers or non-local housing associations. Entry of outsiders could be interpreted as a sign that local actors were not able to solve the problems on their own. However, this closedness was not limited to outsiders. The close collaboration between city administrators and social landlords also made it difficult for citizens to influence urban renewal policy (De Kam, 2004). In addition, Edelenbos (2004) concluded that there was little attention for the role and position of elected council members in the political debate on urban renewal policy. To summarize, the role of the professionals was very dominant.

Dynamics

Networks are constantly in transition due to changes in the closedness, interdependency and pluriformity of actors in the network and due to contextual developments. The network landscape changes, some actors leave, others join in, rules can change and so can the distribution of resources. This means that opportunities and barriers for successfully influencing decision-making can change over time. Decision-making in networks is therefore often unpredictable. Due to the absence of a hierarchical structure, every actor can try to influence the agenda-setting and decision-making process. In a complex network this is not an easy process. Fragmented interdependencies can make it necessary to interact with many different actors to influence outcomes. Furthermore in complex networks there are often no 'done deals'. New actors in the network, new decision-making rounds or altered network characteristics can lead to the re-evaluation of decisions made in the past, with possibly different outcomes.

The concept of network dynamics can be illustrated by the shift from the bricks-and-mortar approach in Groningen towards a process balancing social and economic investments. Due to this shift many new actors from the social sector joined in the decision-making game. We can illustrate this by applying Koppenjan and Klijn's (2004) network concepts to the Groningen case. Figure 6.1 shows two decision-making games. The first policy game addresses the bricks-and-mortar pillar of urban regeneration. The second game depicted is concerned with social investments. Social investments are not new, but investments in health, education, crime prevention and unemployment programmes have only recently been seen as important elements in urban regeneration in the Netherlands (VROM, 2007). This new vision has resulted in the interconnecting of both decision-making games.

As can be seen in Figure 6.1, a new policy arena has emerged connecting the bricks-and-mortar and the social investments games. Both games take place in different networks with dissimilar rules, values and vocabulary. These differences can (and did) cause problems and sometimes irritation. For example, informants from the bricks-and-mortar network mention the lack of neighbourhood orientation among the actors involved in social investments as a problem. Actors from the social investments network are blamed for rarely participating in urban regeneration meetings and activities on a neighbourhood level. Another point of criticism levelled at actors from the social investments network is their singular focus on long-term programmes and specific target groups, like immigrant women or school dropouts. Actors from the bricks-and-mortar network appear to prefer a more geographically demarcated and short-term approach.

§ 6.2.4   **Uncertainties in networks**

After discussing the characteristics of complex networks described by De Bruijn et al. (2002), we shall delve deeper into the network approach as a useful tool for getting a better understanding of complex decision-making processes. An important factor influencing these processes is uncertainty. Decision-making in complex networks has to deal with several forms of uncertainty (Koppenjan and Klijn 2004):

— Substantive uncertainty;
— Strategic uncertainty;
— Institutional uncertainty.
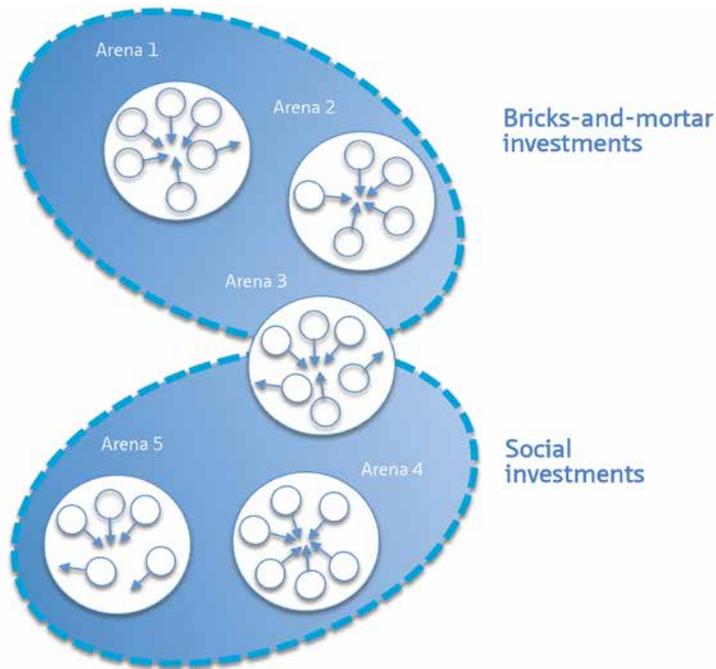
FIGURE 6.1 Connection between the 'bricks-and-mortar' and 'social investments' games.
Adapted from Koppenjan and Klijn, 2004. Comments on bricks-and-mortar and social investments added by author

We will illustrate how these uncertainties played out in Groningen. As we discussed earlier in this paper, the aim of the Groningen City Council to seek additional funding for social investments connected very well with the wish of housing associations to organize the development of new homes in urban renewal areas more efficiently. By connecting both objectives, both actors wanted to 'increase the size of the pie' by reinvesting project development efficiency gains in the social projects. This initiative, however, created new substantive, strategic and institutional uncertainties.

Substantive uncertainty

Substantive uncertainty is connected with the lack of shared knowledge about the nature of complex problems and viable solutions. Actors can have different problem perceptions and dissimilar frames of reference because they can interpret available information very differently. Adding more information is not always a solution because it can increase, instead of diminish, substantive uncertainty. New information brought forward by one actor is often debated or simply ignored by other actors. In Groningen actors have a long tradition in jointly commissioning research in housing market developments. This situation can limit substantive uncertainty because knowledge is based on a shared frame of reference.

Strategic uncertainty

Actors involved in decision-making can have different objectives. They may base their actions on perceptions of reality that are not acknowledged or are unknown to other participants. This increases the strategic uncertainty. Furthermore, actors respond to and anticipate each other's strategic moves. Altogether, this can lead to large variety of strategies and a high level of unpredictability in the decision-making process, thereby creating strategic uncertainties.

In Groningen strategic uncertainties arose from the mix of physical and social urban regeneration investments. This mix was new and created uncertainties about the different responsibilities of the actors involved. Strategic uncertainty was further increased by the intention of housing associations to not only financially contribute to social investments but also to control and monitor these investments. Many City Council officials regarded the social investments as their prerogative, even if these investments were partly funded by housing associations.

Institutional uncertainty

Complex decision-making often involves large numbers of actors. These actors frequently come from different institutional backgrounds, bringing with them their own culture and values. Complex problems often cut across existing organisational and institutional boundaries, administrative levels and networks. Interaction in policy games and the out- comes of these games are therefore influenced by different and sometimes conflicting rules, vocabulary/jargon and values. Actors often trust each other, but interactions can also be guided by high levels of distrust.

One of the reasons for institutional uncertainty in Groningen arose from the differing opinions about the way efficiency gains from urban renewal projects should be allocated to social investments. Should there be a central 'till' from which all social projects should be funded? And if so, who should control this till? Most City Council officials preferred this idea, whereby the local authority would be managing the till. Housing associations sup- ported an option whereby funds would flow directly from the social landlord into the social investment projects.

The three forms of uncertainty distinguished in the Groningen case are interconnected. The institutional uncertainty about the way efficiency gains should be allocated to social investments was strongly influenced by the strategic uncertainty about the responsibilities of housing association and the Groningen City Council.

§ 6.3 Developments in social housing governance

§ 6.3.1 European developments

Throughout Europe, central governments are increasingly withdrawing from social housing provision. They are shifting tasks and responsibilities to lower levels of government or non-governmental organisations (UNECE, 2006; Whitehead & Scanlon, 2007). There is an overall trend towards devolution, decentralization and privatization. This trend was partly triggered by beliefs prevailing in the eighties concerning the role of the state in housing provision. In most countries this resulted in a reduction in public housing expenditure. In general, housing became more market-oriented, competitive and open to economic pressures (Priemus et al., 1993; Priemus, 2004). Overall, the central government is still an important party in housing systems, but a shift in orientation can be seen from a 'providing state' to an 'enabling state' (Doherty 2004, p. 256). These developments have changed the decision-making processes; the overall trend is towards an increasing number of actors and a fragmentation of power and resources. These developments are not natural phenomena. They are caused by the economic, social and political developments that triggered changes in public administration, like the rise of New Public Management approaches (Osborne & Gaebler, 1992).

In addition to this, in many European countries other developments can be identified. There is a trend for housing associations to bring their physical and spatial investments (the traditional bricks-and-mortar approach) more in balance with the economic and social aspects of urban renewal. This is illustrated by the iN Business for Neighbourhoods initiative by housing associations in England and the 'Answer to Society' by the Dutch housing associations in 2007 (Aedes, 2007). In both countries, housing associations commit themselves to invest in local communities.

Furthermore, an increased emphasis is put on resident empowerment, participative decision-making and public accountability. This is illustrated in England by the 'Every tenant matters' review (Cave, 2007) and the subsequent 'tenant-based' reform of the regulation of housing associations. In the Netherlands the 'Confidence in the Neighbour- hood' report published by the Dutch Scientific Council for Government Policy (WRR, 2005) triggered a trend towards more resident involvement in urban renewal. The city of Groningen is one of four local authorities forming a front-runner group of municipalities that want to give residents a central position in urban renewal decision-making based on the 'Confidence in the Neighbourhood' philosophy.

Developments in the Netherlands

The Dutch social housing sector in an international perspective

In many European countries governments are decreasing state funding and state involvement in the provision of social housing and giving a greater role to private and third-sector organisations. Developments in the Netherlands are no exception, although in some respects the Dutch case is unique. The Dutch social rented sector covers 35% of the total housing stock. This substantial market share is remarkable in an international perspective, as the UK takes second place with 20% of the stock. In most European countries the social rented sector accounts for less than 10% of the housing stock (Whitehead & Scanlon, 2007).

The (almost non-existent) financial relationship between the government and social landlords is another remarkable feature of the Dutch housing system. In most countries social housing associations can still count on government subsidies for the construction of housing (Whitehead & Scanlon, 2007). The Netherlands is the only country that has almost totally abolished subsidies in the social rented sector. In an extensive 'grossing and balancing operation' during the 1990s, all outstanding government loans to housing associations were netted against supply-side housing subsidy obligations of the Dutch state.

From independence to semi-government organisations and back again

The social housing sector in the Netherlands has undergone numerous changes since it first came into being around 1860 and since the introduction of the Housing Act in 1901. Housing associations were private organisations that were subject to varying degrees of government influence during the twentieth century. After World War II the social housing sector became a crucial instrument in the battle against housing shortages. From 1945 until 1990, the Dutch government remained closely involved in the operations and funding of housing associations. As a result housing associations gradually turned into semi-public institutions that had strong hierarchical ties with the government. The grossing and balancing operation fundamentally changed the relations between government and Dutch housing associations, giving the latter a virtually autonomous position.

Though fully independent financially and administratively since the 1990s, housing associations in the Netherlands still require authorization for high-impact decisions. Under the terms of the Housing Act their responsibilities and operating conditions are laid down in the Social Rented Sector Management Order (abbreviated BBSH in Dutch).

The BBSH stipulates that housing associations are responsible for providing good, affordable housing for people who are unable to pay market prices. The BBSH is not very specific about the results expected from housing associations, and it leaves this point to be negotiated between local authorities and housing associations (Van Bortel & Elsinga, 2007).

Developments in Groningen

To understand the interactions between parties in the urban renewal network of Groningen it is essential to get some grasp of the rather atypical nature of this city. Groningen is located in the extreme North of the Netherlands and in its immediate vicinity there are no other cities of consequence. The local authorities of Groningen adopted the slogan

'Nothing goes above Groningen' to accentuate its Northern location, the assets of the city and the high level of self-confidence shared by its residents. The location of Groningen has some drawbacks, however. The economic situation, although improving in recent years, is less prosperous compared with the Western part of the country; unemployment rates are higher and incomes lower. This situation is reflected in the housing market and housing stock. Compared with the West, buying a house in Groningen is relatively affordable. Waiting lists for social housing are relatively short (but for those in dire need of a home still too long).

The market position of the social housing stock in Groningen is vulnerable, as was illustrated by the high levels of housing voids at the end of the 1990s. This market situation stimulated actors in Groningen earlier than those in other Dutch cities to develop large scale-urban renewal programmes. Actors in Groningen have a long tradition of close collaboration in urban regeneration. Since the 1970s, the local authority, housing associations, residents, police, schools and other organisations have worked closely together to improve housing and living conditions in the city. The grossing and balancing operation in the 1990s was not the start of network governance of urban renewal in Groningen. It did however, give housing associations a more powerful and autonomous position vis-a-vis the local authority. Before this operation the local authority was not inclined to involve housing associations in the strategic decisions about urban renewal policy, like the selection of intervention areas (De Kam 2004).

§ 6.4 Decision-making dynamics in the Groningen urban regeneration network

In this section we shall describe the process of decision-making on urban regeneration policy in Groningen using the network approach discussed earlier. In Groningen we can broadly distinguish three periods or policy games: a) Period 1: 1995–1998; (b) Period 2: 1998–2005; (c) Period 3: 2005–2007. These periods have been distinguished by the author. The demarcation is open to discussion and is not an objective empirical fact. However, each period is marked by an important event such as signing off on a covenant between actors. In the following we will discuss these periods in some detail, especially regarding the more recent developments in the period 2005–2007. At the end of each period, there was a significant increase or decrease in the level of uncertainty. This is in line with Koppenjan and Klijn (2004) notion of 'game rounds' that are most often concluded with breakthroughs or deadlocks.

§ 6.4.1 Period 1: 1995–1998

The period starting in the mid-1990s and lasting until 1998 was characterized in Groningen by deteriorating market conditions, rising vacancies and increasing social problems in several neighbourhoods. Housing market surveys predicted mayor redundancies of apartment blocks. This resulted in a strong feeling among most housing associations and the local authority that urgent action was necessary. Groningen was one of the first cities in the Netherlands where in 1998 housing associations and the municipality agreed on large-scale urban regeneration investments, spanning a period of 12 years. The end of this period is demarcated by the signing of the first Local Urban Renewal Covenant in 1998.

§ 6.4.2 Period 2: 1998–2005

In the period 1998–2005 implementation of the 1998 covenant was at the centre of attention. In this period it became clear that residents did not always share the ambitions of the Groningen housing associations and the local authorities. They did not agree with the large number of redevelopment plans. Residents were particularly opposed to the large proportion of demolish-and-rebuild in the redevelopment plans, because inadequate guarantees were given to residents that affordable houses would be available in their old neighbourhood. New dwellings were mainly intended for

middle- and high-income households, while many of the incumbent tenants were dependent on affordable housing. Market developments also proved less gloomy than depicted in housing market surveys conducted at the end of the 1990s. Tensions on the housing market remained and waiting lists were still long for those seeking a new home. It also turned out to be difficult to deliver as many housing demolitions and new-build homes as envisioned in the 1998 Local Urban Renewal Covenant. In 2002 these developments led to a revised Local Urban Renewal Covenant ['Het Lokaal Akkoord'] between housing associations and the municipality. In this new agreement demolition targets were adjusted downwards and the focus shifted from quantitative bricks-and-mortar targets towards more qualitative and integrative objectives. The latter focus placed more emphasis on the built environment and living conditions of residents and less on transformation of the housing stock alone (Van der Wal, 2004). This shift towards a more balanced approach to urban regeneration was illustrated by the selection of several new 'Social Urban Regeneration Areas' in Groningen. These areas would receive an extensive social programme targeting crime, vandalism and anti-social behaviour and only a small proportion of bricks-and-mortar investments.

The 1998–2005 period is demarcated by the 'Nieuw Cement' [New Mortar] exhibition presenting an overview of urban regeneration results in Groningen from 1998 until 2004. Housing associations and the municipality jointly organized this event. The publication accompanying the exhibition contained several essays written by relative outsiders (De Kam, 2004; Edelenbos, 2004; Ouwehand, 2004) that contained— sometimes critical—reflections on the process and outcomes of urban regeneration in Groningen. Critical comments were made about the lack of genuine involvement of residents and elected politicians.

§ 6.4.3   **Period 3: 2005–2007**

In 2005 the municipality and housing associations started discussions on renewal of the 2002 Local Urban Regeneration Covenant. The emphasis on social investments made these discussions different from those on the earlier covenants. In 2005 a dormant discontent among professionals on the dominance of housing associations and the municipality was inflamed by the publication 'Confidence in the Neighbourhood' ['Vertrouwen in de buurt'] by the Dutch Scientific Council for Government Policy (abbreviated WWR in Dutch). This publication advocated stronger resident participation in improving the living conditions in neighbourhoods and powerful interventions by local governments and others if neighbourhoods lacked the social fibre to deal with problems themselves. Citizens' empowerment was a central theme in the 'Confidence in the Neighbourhood' report. The report mentions housing associations as organisations with the organisational strength and financial resources

to take the lead in neighbourhood renewal operations, including coordinating activities targeting social problems.

In Groningen the 'Confidence in the Neighbourhood' (WRR, 2005) report inspired many of the professionals participating in urban regeneration projects to apply a more bottom-up approach. In the spring of 2006 a special conference was held in Groningen to discuss the implications of the report. Pieter Winsemius, lead author of the report and former Minister of Housing and Spatial Planning attended the conference together with more than 100 representatives of housing associations, local authorities, police, schools, residents and welfare organisations. The conference resulted in the formulation of 'Ten golden rules of urban regeneration' (Frenay, 2006) [Table 6.1]. These rules turned out to be very influential in subsequent discussions on renewal of the Local Urban Regeneration Covenant.

1	Develop tailor-made approaches for each neighbourhood
2	Create clear roles and responsibilities
3	Give residents breathing space, do not micro-manage
4	Keep it simple
5	Act more and talk less
6	Interact
7	Celebrate successes
8	Keep pace
9	Have confidence, give confidence
10	Nurture a 'can do' attitude

TABLE 6.1 The ten golden rules of urban regeneration in Groningen
Source: Frenay, 2006

The wide dissemination of the 'Confidence in the Neighbourhood' philosophy could be interpreted as the success story of a well-written report sponsored by a charismatic political figure. Although not underpinned by research, the success of this report could also be interpreted from a 'governing without government' perspective. In that light, its success could also be the result of a brilliant government strategy aimed at changing the rules of decision-making in urban renewal processes through publishing a report by an independent (but state-funded) scientific council that fits the government agenda.

§ 6.4.4   **Connecting games**

The emphasis on the empowerment of residents coincided with a growing notion within the local administration of Groningen that they were unable to fund the social activities needed to tackle problems in the no less than 14 regeneration neighbourhoods in Groningen. The Groningen City Council calculated the amount needed for these social services and concluded that the available municipal funds were insufficient. Instead of lowering their ambitions the local authority asked the local housing associations for assistance. This illustrates that dependencies are closely linked with the goals and ambitions of actors. The City Council could have chosen to lower its ambitions, resulting in a lower investment cost that matched the municipal budget.

In subsequent negotiations housing associations and the municipality developed solutions entwining the goals of both parties: making bricks-and-mortar urban regeneration more efficient by reducing the red tape and streamlining planning procedures and then rein- vesting these efficiency gains in social activities.

Actors developed a new model for project development: the Relay Race Model (in Dutch 'het estafettemodel'). Actors were confident that the Relay Race Model could shorten the time needed to develop urban renewal projects by 40% (from 4 years to 2.5 years) by organizing the process in a more effective way. Changes included the clear identification of steps in the process and defining clear responsibilities, timelines and output criteria for each step. The parties were confident that this would lead to substantial cost reductions, on average € 7 000 for each new-built dwelling. Housing associations were prepared to use these efficiency gains to fund social investments. But housing associations also wanted guarantees that these funds were used effectively. Some associations were only prepared to sponsor activities in neighbourhoods where their own housing stock was located. What made decision-making difficult was the combination of two different networks: the bricks-and-mortar network and the network dealing with social investments [see Figure 6.1 above].

§ 6.4.5   **Creating a way out of deadlock**

In the autumn of 2006 negotiations on the New Local Performance Agreement reached a critical phase. At that moment decision-making was in a deadlock due to disagreement between the local authority and housing associations about the way funds from bricks-and- mortar projects would be made available for social investments. After 2 years of preparation and negotiations, the renewal of the Local Urban Regeneration Covenant seemed more dead than alive.

From a network perspective, the complexity of the governance network on urban renewal issues had reached a critical level. There were too many actors and issues. As one Groningen City Council informant phrased it, 'there were too many pieces on the chess-board.' In addition, the frequent and informal contacts between actors hampered decision-making by creating a high level of 'noise', hearsay, confusion, mistrust and miscommunication. Quoting another informant from the Groningen City Council:

"Groningen is a small place, people bump into each other all the time; during a football game or in the shopping mall. It's impossible to coordinate or manage these interactions in any way, especially because a lot of talk is going on about the people involved and not on the issues at hand."

The CEOs of the two largest housing associations and the administrator of the municipal department of housing and spatial planning decided on a 'pressure-cooker approach'. This entailed holding a two-day conference at a secluded location bringing together all relevant issues and actors from different hierarchical levels.

In interviews preceding the conference, high-level officials expressed trust in the other parties and emphasized that housing associations and the municipality needed each other. However, informants on lower hierarchical levels articulated less trust and confidence. One housing association's informant stated that:

"The local authority needs money from housing associations to fund their social investments ambitions. The city council sees the promise to increase the efficiency of the building production as a possibility to get that money, but the city council is not really committed to implementing measures to increase efficiency and it will never be implemented."

A Groningen city administration official felt that housing associations were making the discussion unnecessarily complicated:

"Housing associations are clever, they have more money than we think. They have made profits due to investments of the local authority. Their financial contribution to the social investment program is peanuts."

Another finding from the interviews was a deeply felt reservation amongst representatives from both housing associations and several municipal departments about the limited organisational capacity of actors in the social investment network to deliver the necessary results.

Information from the interviews was processed in a discussion paper and a detailed programme for the conference. The setting of the policy conference was kept intentionally informal. It was held at a secluded location with many possibilities

for interaction in alternating plenary sessions, subgroups and social activities. An overnight stay was compulsory for all participants. To enhance the 'pressure-cooker' effect, the conference programme was structured in such a way that the results (or lack thereof) had to be presented at the end of conference at a session with the three local aldermen in attendance.

Parallel to the plenary and subgroup meetings a draft policy document was written describing the main points of agreement and disagreement. This draft was discussed with participants and adjusted to include their comments. At the end of the two-day conference a policy document was drafted and agreed upon by all participants. In the weeks following the conference this document was developed into a draft New Urban Regeneration Covenant. Early in 2007 the draft covenant was made public for consultation with residents.

Paramount in the New Urban Regeneration Covenant is the balance between investments in bricks-and-mortar and social activities. The joint responsibility of the local authority and housing associations to secure good living conditions in neighbourhoods is firmly anchored in the Covenant, specifying activities like crime prevention, sustainable housing management, social inclusion, welfare, health, education and improving neighbourhood facilities. Over the next 10 years housing associations will deliver 8 000 new dwellings in the city, of which 5 000 will be built in urban renewal areas. In the coming 4 years housing associations and the municipality will each invest ten million euros extra in social activities. The investment by housing associations is based on the assumption that the development time of real estate projects will be reduced by 40%. This is not an ex-ante condition for the investments; the actual efficiency gains will be assessed by ex-post measurements. Although considered in the development process, no sanctions are included in the covenant in case of non-compliance. This arrangement illustrates a certain level of mutual trust in the ability and willingness of actors to deliver results.

§ 6.5 **Conclusions**

In this paper we have presented the network governance approach and used it to take a closer look at urban regeneration decision-making in Groningen. We saw that policy development in this area can be a fairly complex venture, mainly because of the inter-dependencies between actors and the dynamics in the network. The shift from a bricks-and- mortar approach towards a more balanced approach to urban renewal focusing more on social investments constituted a major change in the urban regeneration network in Groningen.

We also showed that this shift towards a more balanced form of urban regeneration turned an already complex—but still functioning—bricks-and-mortar network into an even more complex and—for some time—dysfunctional network due to the interconnection with the social investments network. The Relay Race Model was developed to deliver the efficiency gains in project development. This instrument alone proved insufficient to bring decision- making to a successful closure. A very top-down intervention by key officials was necessary. This intervention resulted in a two-day policy conference that included all relevant issues and actors, though excluding the residents. This created the opportunity to reach agreement on the text of the New Urban Regeneration Covenant and create a mechanism to channel financial resources from project development into social investments.

The research for this article did not include the opinions of residents because they were not directly involved in the renewal of the Urban Regeneration Covenant. Recent publications (Van de Wijdeven and De Graaf 2008; Van Hulst et al. 2008) however, have assessed the involvement of residents in, respectively, the implementation of the new Covenant and resident participation in the development of Neighbourhood Action Plans for two priority neighbourhoods in Groningen (named De Hoogte and Korrewegwijk).

The general strategy described in the New Urban Regeneration Covenant has to be delivered by local teams in the 14 priority neighbourhoods in Groningen. According to the Covenant, residents should ideally participate in these teams, but this is still an exception and largely remains a promise to be fulfilled (Van de Wijdeven & De Graaf, 2008). In addition, the 14 local Neighbourhood Teams take very different approaches, thereby creating new forms of complexity and uncertainties that need to be overcome.

The pledge by professionals to base their actions on the 'Confidence in the Neighbourhood' principles [see Table 6.1 above] has created high expectations among residents about their influence on developments in the neighbourhood (Van de Wijdeven & De Graaf 2008, p. 26).

As Van de Wijdeven and De Graaf (2008) conclude in their assessment of the decision-making process, while on a neighbourhood level professionals in Groningen operate as an intermediary between elected politicians and citizens, the link between the latter two parties is weak. This is supported by the conclusions of Van Hulst et al. (2008), who state that the development of Neighbourhood Action Plans for De Hoogte and Korrewegwijk was dominated by professionals and that the involvement of residents in the development of the Neighbourhood Action Plans and communication on the outcomes of decision- making had been limited. The connections between professionals from housing associations and the municipality appear to be so strong that they tend to exclude to some extent the local politicians and residents.

Applying the network approach to urban regeneration decision-making in Groningen increased our understanding of the complexity and the uncertainties involved in these forms of decision-making. Using the network approach we identified instruments and strategies used by actors to cope with uncertainties and complexity. Actors in Groningen developed these tools without explicit knowledge of network concepts. It remains a topic for further debate and research if a more deliberate use of a network governance toolbox by practitioners would result in better quality and more efficient decision-making processes.

Acknowledgment

References

Aedes. (2007). *Antwoord aan de samenleving* [Answer to Society]. Hilversum: Aedes.

Arrow, K. J. (1963). *Social choice and individual values (2nd ed.)*. New York: John Wiley.

Cave, M. (2007). *Every tenant matters: A review of social housing regulation*. Wetherby: Communities and Local Government Publications.

Cohen, M.D., March, J. G., & Olsen, J.P. (1972). A garbage can model of organizational choice. *Administrative Science Quarterly, 17*(1), 1–25.

De Bruijn, J.A., Ten Heuvelhof, E.F., & In 't Veld, R. (2002). *Process management, why project management fails in complex decision making processes*. Boston: Kluwer.

De Kam, G. (2004). Samenwerking bij stedelijke herstructurering [Collaboration in urban renewal]. In O. Van der Wal (Ed.), *Nieuw Cement, een tussenstand van de wijkvernieuwing in Groningen* [New Mortar, a mid-term review of urban renewal in Groningen]. Groningen: Platform Gras.

Van der Wal, O. (2004). Introductie, Werken aan de stad [Introduction, Developing the city]. In O. Van der Wal (Ed.), *Nieuw Cement, een tussenstand van de wijkvernieuwing in Groningen* [New Mortar, a mid- term review of urban renewal in Groningen]. Groningen: Platform Gras.

Doherty, J. (2004). European housing policies: Bringing the state back in? *European Journal of Housing Policies, 4*(3), 253–260.

Edelenbos, J. (2004). *Politiek and Herstructurering* [Politics and urban renewal]. In O. Van der Wal (Ed.), *Nieuw Cement, een tussenstand van de wijkvernieuwing in Groningen* [New Mortar, a mid-term review of urban renewal in Groningen]. Groningen: Platform Gras.

Frenay, K. (2006). *Verder bouwen aan vertrouwen, over samenwerking met buurtbewoners in de* stad Gronin-gen [Further developing trust, On collaboration with residents in Groningen]. Groningen: Gemeente en gezamenlijke corporaties in Groningen.

Giddens, A. (1979). *Central problems in social theory*. London: Macmillan.

Giddens, A. (1984). *The constitution of society: Outline of the theory of structuration*. London: Macmillan.

Hirst, P. (1990). *Representative democracy and its limits*. Cambridge: Polity Press.

Kickert, W.J.M., Klijn, E.H., & Koppenjan, J.F.M. (Eds.) (1997). *Managing complex networks; strategies for the public sector*. London: Sage.

Kingdon, J.W. (1984). Agendas, alternatives and public policy (2nd ed.). New York: Boston: Little, Brown & Company, Harper Collins College Publisher.

Klijn, E.H., & Koppenjan, J.F.M. (2007). Governing policy networks. In G. Morcul (Ed.), *Handbook of decision making*. USA Boca Raton: CRC Taylor and Francis Group.

Klijn, E.H., Koppenjan, J.F.M., & Termeer, C.J.A.M. (1995). Managing networks in the public sector: A theoretical study of management strategies in policy networks. *Public Administration, 73*(3), 437–454.

Koppenjan, J.F.M., & Klijn, E.H. (2004). *Managing uncertainties in networks*. London: Routledge.

Marsh, D., & Rhodes, R.A.W. (1992). *Policy networks in British government*. Oxford: Clarendon.

Mullins, D., & Rhodes, M.L. (2007). Special Issue on network theory and social housing. *Housing Theory and Society, 24*(1), 1–13.

Osborne, D., & Gaebler, T. (1992). *Reinventing government*. USA: Addison-Wesley.

Ouwehand, A. (2004). Sociale wijkvernieuwing, tijdelijk nieuw, altijd dynamisch [Social investements in Urban renewal temporally new, always dynamic]. In O. Van der Wal (Ed.), *Nieuw Cement, een tussenstand van de wijkvernieuwing in Groningen* [New Mortar, a mid-term review of urban renewal in Groningen]. Groningen: Platform Gras.

Priemus, H. (2004). Housing and new urban renewal: Current policies. *European Journal of Housing Policy, 2*, 229–246.

Priemus, H., Kleinman, M., Maclennan, D., & Turner, B. (1993). *European monetary, economic and political union: Consequences for national housing policies*. The Hague: Delft University Press.

Ripley, R.B., & Franklin, G. (1987). *Congress, bureaucracy and public policy*. Homewood, IL: Dorsey.

Sørensen, E., & Torfing, J. (Eds.) (2007). *Theories of democratic network governance*. London: Palgrave-MacMillan.

Swyngedouw, E. (2005). Governance innovation and the citizens, the Janus face of governance-beyond-the state. *Urban Studies, 41*(11), 1991–2006.

Teisman, G.R. (1998). *Complexe besluitvorming, een pluricentrisch perspectief op besluitvorming over ruimtelijke investeringen* [Complex decision-making, a pluri-centric perspective on decision-making in spatial investments]. The Hague: Elsevier.

UNECE. (2006). *Guidelines for social housing*. New York and Geneva: UNECE.

Van Bortel, G.A., & Elsinga, M.A. (2007). A network perspective on the organization of social housing in the Netherlands: The case of urban renewal in The Hague. *Housing Theory and Society, 24*(1), 32–48.

Van Bortel, G.A., & Van der Helm, K. (2006). *Discussion paper for Conference New Local Urban Renewal Covenant*. [Unpublished].

Van de Wijdeven, T.M.F., & De Graaf, L. (2008). *Met vertrouwen van start in de Groningse wijkvernieuwing*. Tilburg: Universiteit van Tilburg.

Van Hulst, M.J., Van de Wijdeven, T. M. F., Karsten, N., & Hendriks, F. (2008). Aandacht voor bew- onerspartici-patie [Focus on citizens participation]. Tilburg: Universiteit van Tilburg.

VROM-Raad. (2006). Stad en stijging, Sociale stijging als leidraad voor stedelijke vernieuwing [City and social mobility, social mobility as leading principle for urban renewal]. The Hague: VROM-council.

VROM. (2007). *Actieplan Krachtwijken: Van aandachtswijk naar krachtwijk* [Action plan Empowered neighbourhoods: From a priority neighbourhood towards an empowered neighbourhood]. The Hague: Ministerie van VROM.

Weick, K.E. (1995). *Sensemaking in organizations*. Thousand Oaks: SAGE Publications.

Whitehead, C., & Scanlon, K. (2007). *Social housing in Europe*. London: LSE.

WRR (Scientific Council for Government Policy).. (2005). Vertrouwen in de buurt [Confidence in the Neighbourhood]. The Hague: WRR.

7 Neighbourhood regeneration and place leadership: lessons from Groningen and Birmingham

§ 7.1 Introduction

The concept of place leadership is new and relatively untheorised in England (but see Gibney & Murie, 2008; Gibney, Copeland & Murie, 2009; Mabey & Freeman, 2010), and has not been explicitly formulated in the Netherlands. However, a related stream of practice and analysis around partnerships (Sullivan & Skelcher, 2002) and network governance (Kickert, Klijn & Koppenjan, 1997; Rhodes, 1997; Koppenjan & Klijn, 2004) is already well-established in both countries and has framed our earlier work on neighbourhood regeneration and housing (Mullins & Rhodes, 2007; Van Bortel and Mullins, 2009; Van Bortel, Mullins & Rhodes, 2009).

This article explores connections between place leadership and network governance concepts to identify a set of themes that are then used to explore research evidence on neighbourhood regeneration and the role played by third- sector housing organisations in two cities: Groningen in the north of the Netherlands and Birmingham in the English Midlands. While our research has a particular focus on the housing sector and the role of housing associations (HAs), the regeneration task that our case study organisations set themselves has taken them well beyond 'bricks-and-mortar'. This requires them to collaborate with municipal authorities and a wide range of partners who contribute to the wellbeing of places and people. We explore the role played by HAs in regeneration partnerships and the implications of place-shaping and network governance.

Why place leadership and network governance? - Conceptual mapping

Over the past few years the idea of sustainable place-shaping has made its way to the heart of the debate on urban development and integrated policies for European regions, towns, cities and neighbourhoods. This has implications for the public and private sectors, third-sector organisations such as HAs and for local communities and governance arrangements.

Origins and purposes

With diverse roots in thinking about collaborative planning (Healey, 2006), competitive cities and regions (Florida, 1995), the impact of economic change and the knowledge-based economy on different types of places (Gibney & Murie, 2008), ideas about place-shaping have been further stimulated by public policy agendas. In England, a strong policy impetus was provided by the Lyons report (2007) which argued the need to strengthen the focus on place and emphasised the role that local government could play in joining together a range of policy streams to create 'effective' places. This suggested that the attractiveness of neighbourhoods, cities and subregions should be seen as a key outcome of policy processes (Trickett et al., 2008).

This recognition of the need for an active approach to place-shaping has led to consideration of the leadership tasks required to bring together and coordinate multiple activities such as economic development, planning, housing, regeneration, sustainable communities and health to effect more satisfactory place-based outcomes (Gibney & Murie, 2008; Gibney et al., 2009).

There are very close parallels between the drivers for recent exploration of place leadership and longer-standing work on network governance. To orient our work in this article, Table 7.1 sets out our understanding of the contextual drivers, intellectual origins, disciplinary roots and problem focus of the two approaches.

Both place leadership and network governance respond to shifts from government to governance (Rhodes, 1997), from hierarchies to networks (Powell, 1990) and the normative search for new approaches to manage complexity and the 'wicked issues' at the interstices of sector-based policy silos (Klijn, 2008). The need for network management is most pronounced in situations where essential resources are dispersed between several actors and hierarchical steering is ineffective. A good example of this is provided by Dutch neighbourhood regeneration policies where HAs have a high degree of independence from local government and have the resources needed for such

interventions (van Bortel and Mullins, 2009). In contrast resources are less dispersed in the UK, with resulting stronger hierarchical steering of local 'partnerships' by the state (Davies, 2002).

A strong normative strand is shared by the 'governance club' originators of the network governance school (Rhodes, 1997) and recent place-shaping work at the University of Birmingham (Gibney & Murie, 2008). The former has been described by a key proponent as 'the search for good, socially relevant outcomes' (Klijn, 2008, p. 14). The latter began in collaboration with the Academy of Sustainable Communities to influence practice across many disciplines to create more sustainable places. Both approaches blend several academic disciplines. While the former draws mainly on public management, political science, and cognitive and behavioural research, the latter brings perspectives from planning and economic development and third-sector research as well as leadership and management studies.

	NETWORK GOVERNANCE	PLACE LEADERSHIP
Context	Complexity From hierarchy to network governance (NG) fragmentation Resource dispersion between actors	As NG + economic change, knowledge-based economy, competitive cities and regions, shifting policy paradigms, 'place-shaping' agenda (Lyons)
Origins	The Netherlands. Erasmus 'governance club'	UK, Birmingham CURS/CLUB, building on place-shaping policy paradigm and collaborative planning tradition
Disciplines	Public management, politics, cognitive and behavioural dimensions	Planning, economic development, leadership and management, third- sector studies
Problems addressed	Normative - search for 'good socially relevant out-comes', tackling 'wicked issues', complex policy coordination and steering without hierarchy	Normative - 'successful places as outcomes' and collaborative planning 'from sectors and functions to places'

TABLE 7.1 Context, origins and problems addressed

§ 7.2.2   **Content and approaches**
....

Gibney and Murie (2008) and Gibney et al. (2009) identify three specific elements of the place-shaping agenda requiring different leadership responses to those found in traditional hierarchies. These are cross-boundary working, community engagement and a focus on outcomes.

Table 7.2 compares the content, core approaches and competences required for network governance and place leadership. In both cases these include cross-boundary working and community engagement. Slightly different repertoires of competences are suggested in relation to management and leadership.

	NETWORK GOVERNANCE	PLACE LEADERSHIP
Cross-boundary working	Key focus on actors, games and arenas	Multidisciplinary and multilevel actor networks with strong place focus
Community engagement	Activation of communities within networks	Community leadership links to collaborative planning
Leadership/ management	Techniques for game management and actor selection to avoid 'closedness'	Focus on leadership styles and techniques, and dilemmas and challenges

TABLE 7.2 Content, approaches and key competences associated with network governance and place leadership.

The need for public managers to move out of service-specific silos to provide 'joined-up local services' has been a long-standing mantra of public management and is shared by network governance and place leadership. Sullivan and Skelcher (2002) have identified the 'reticulist' skills that managers require for working across boundaries. Meanwhile Healey (2006) outlined the need for 'collaborative planning' and integrated approaches to improve quality of life in spatial planning. She advocated a shift from sectoral and functional approaches to service planning to a place-based approach with more fluid boundaries between public and private actors. Like Sullivan and Skelcher, Healey identified special skills such as joint visioning and consensus-building. The network governance literature elaborates the cognitive adjustments such as 'covenanting' required to share frames of reference between actors from different backgrounds (Klijn & Teisman, 1997).

Community engagement is the second main focus for place leadership identified by Gibney et al. (2009) and again there is long history of practice to draw upon. The continuum of options for levels of engagement of citizens and communities in decision-making and policy is well-known (Arnstein, 1969). Community leadership may intertwine with place leadership. Community engagement is important in network governance, but community actors may be less activated in networks that do not focus on place. Key decisions may be negotiated between powerful national or regional actors with limited reference to place-based community actors.

The greatest divergence between place leadership and network governance is probably in relation to management and leadership techniques and approaches. Network management is concerned with games, actors and arenas (Koppenjan & Klijn, 2004) and intervenes in network behaviour through process management and institutional

design. The repertoire of interventions considered by the place leadership school may in theory range from functionalist responses to the move from hierarchy to network, constructivist responses associated with dispersed boundary-spanning and critical discourses associated with the promotion of social justice (Mabey & Freeman, 2010). Case studies are required to understand how leadership is enacted in practice in different places.

Network governance research has developed beyond case studies to include comparisons of strategies and outcomes (Klijn, Steijn & Edelenbos, 2010). This has required common descriptors of network management strategies to enable survey-based comparisons of actors' experience and perceptions. Klijn et al. (2010) identify four types of management strategies: arranging, process, connecting and exploring to develop 16 survey questions relating strategies to outcomes. Similar developments could occur in the next generation of place leadership research.

§ 7.2.3 Key challenges

Table 7.3 identifies some challenges faced by the two approaches, and it is these challenges that we intend to explore in our case studies of two neighbourhoods with a history of area-based interventions.

Earlier generations of interventions in these areas were informed by hierarchical planning and often failed to activate key local actors. Place leadership aims to avoid repeating these experiences by introducing more inclusive forms of policy-making and implementation in partnership with residents and communities. Network governance has also faced criticisms associated with selective activation of actors, within the field of neighbourhood regeneration there are numerous examples of weak engagement of residents at limited points of the process (van Bortel & Mullins, 2009). Other critiques of partnership take the opposite line that inclusive network negotiations and involvement in each stage in decision-making can be cumbersome and fail to add value, with dissatisfied actors failing to accept joint or shared outcomes. In between are critiques suggesting imbalance between discussion and action and recognising inequalities in influence of different actors. Our case studies address these issues by considering the history or interventions in each case study, the extent of explicit focus on place-shaping and the leadership styles and dilemmas encountered.

There is considerable discussion in the network governance literature on the relationship between networks and democracy (Sørensen & Torfing, 2007). Again there are a variety of views, some seeing network management as reducing political issues to technocratic ones, others maintaining that all decisions are political and the

shift of decisions away from democratically-mandated partners is the key critique (Klijn & Skelcher, 2007). The policy stance of place leadership in the UK is interesting in this regard, asserting the role of elected municipal authorities as key actors. Our case studies pay particular attention to questions of legitimacy and anchorage and the mandate place leaders and network managers have for their actions.

	NETWORK GOVERNANCE	PLACE LEADERSHIP
Key challenges	Perils of partnership activation often too selective	History of unsuccessful area-based interventions and top-down master-planning
Democratic anchorage	Problematic relationship between networks and democracy	Links to political leadership of place
Process/outcomes	Strong focus on process; emergent and joint outcomes; success judged through mutual satisfaction of actors	Successful places as outcomes and challenges output focus of silos

TABLE 7.3 Key challenges.

The third core dimension of the place leadership perspective is a focus on place-based outcomes as the main test of effectiveness of interventions (Gibney & Murie, 2008). For hierarchically-governed public services this is a major shift from outputs of individual players to joint impacts on places. More radically it suggests connections with community engagement in governance, and service delivery through co-production. However, the process focus of network governance can make it hard to identify external outcomes. Place leadership's insistence on 'places as outcomes' adds a distinctive dimension. Our case studies, therefore, pay particular attention to the role played by community engagement and area-based outcomes.

§ 7.3   Why compare Birmingham and Groningen?

Place-shaping activity is necessarily responsive to context, and Collinge and Gibney (2010) have specified 'regenerating places' (such as those places going through a post-industrial transition) as one category of place where the impact of place leadership can be explored. In their different ways Groningen and North West Birmingham provide good examples of such places that have needed to respond to structural changes that have affected their position in the economy and housing market. The research focuses on two specific neighbourhoods, both facing long-standing issues of deprivation: Lozells in Birmingham (England) and De Hoogte in Groningen (The Netherlands). Research data have been gathered by conducting in-depth interviews, observation of

meetings involving key actors engaged in regeneration interventions and desk research to track and corroborate these interventions over a period of several years. This data is part of a doctoral research project on shifts in governance and the changing roles of HAs in complex urban regeneration decision-making processes (Van Bortel, 2009). The research has a longitudinal focus tracking neighbourhood interventions spanning the eras referred to by Collinge and Gibney (2010).

The comparison between Birmingham and Groningen is valuable in highlighting the impact of differences in institutional structures, resources and incentives (HAs are more prominent and powerful in the Netherlands and central and local government has less hierarchical leverage on their activities than England). It captures different national approaches to partnership working, with a dominance of resource-led, hierarchically-driven arrangements in England and a greater need for collaboration in the Dutch case, reflecting the wider dispersion of resources.

§ 7.4 **Place leadership and network governance in Birmingham and Groningen?**

In this section we explore the experience of neighbourhood regeneration in the two case study areas based on seven themes developed from our review of place leadership and network governance concepts [see section § 7.2]:

1 History of area-based interventions;
2 Explicit focus on place-shaping;
3 Impact of national policy paradigms;
4 Leadership styles;
5 Leadership dilemmas and challenges;
6 Community engagement;
7 Impacts on democracy and anchorage.

§ 7.4.1 **History of area-based interventions**

Both neighbourhoods have experienced long-term shifts in their structural position and economic function, resulting in changes in employment, housing demand, migration, crime and community safety. Consequently, both neighbourhoods have been subject to a succession of area-based interventions which have changed in content and approach over a 30-40-year period. We can contrast these initiatives in

the extent to which they were subject to vertical and horizontal influences, the mix of actors involved and the extent of community engagement.

In Groningen, a regeneration programme similar to the current initiative was undertaken in the 1980s to tackle deprivation in the area (especially worklessness and social exclusion of the immigrant population). This intervention was called the Problem Accumulation Area Policy. This involved the same leading partners (e.g. the local authority and HAs), but with a different allocation of tasks. Back then, the local authority was leading the project, and the HAs were mainly involved in the refurbishment and renewal of the housing stock and far less in improving the personal situation of residents. Local and central government provided the financial recourses. In 2007, a new initiative started to tackle deprivation in the same area. The local authority is still the leading actor, but is working in close partnership with HAs. The municipality and HAs provide financial resources on an equal basis for social investment.

Lozells in Birmingham has been subject to a similar series of area-based interventions, involving many of the same actors. In the 1970s as part of the shift from clearance to area-based housing improvement, the predecessors of the current lead HA actor, Midland Heart, were involved in the conversion of large houses formerly in private ownership into social rented flats accessible to new migrants and others seeking homes in the area. Now, 30 years later, Midland Heart is involved in a programme including de-conversion of some of the same properties into larger family homes for sale in an attempt to broaden the range of housing options that can be met within the area and to generate receipts to fund other regeneration activities in the neighbourhood.

§ 7.4.2 Explicit place-shaping

In both neighbourhoods, recent regeneration initiatives contain clear 'place-shaping' elements. This is symbolised by the mottos given to the interventions in the area. In Birmingham, the title of the masterplan is 'Making Lozells a place of choice' and in Groningen the plan bears the title: 'Ensuring that De Hoogte stays an attractive place to live' (in Dutch: 'Mooi blijven wonen in De Hoogte'). But the concept of place-shaping is found not only in slogans, but also in spatial concepts. Both intervention areas have explicit place-shaping dimensions in symbolic - but very diverse - locations. In Lozells place-shaping interventions are aimed at creating several high-profile gateways along busy routes through the area. These gateways will combine community and commercial facilities. In De Hoogte the place-shaping interventions have a more internal focus, namely the creations of a 'vibrant heart for the neighbourhood '.

This 'vibrant heart' will be a new 'hub' at the centre of the neighbourhood including community facilities such as a school and Child and Family Care Centre.

The impact of national policy paradigms

In both the Netherlands and England, local practice has been strongly affected by national policy paradigms, usually transmitted from policy reports, governmental programmes or voluntary and professional bodies. These influences have been filtered by key actors involved in the interventions in the two case study neighbourhoods.

In the Netherlands at least two important national policy paradigms can be identified. The first one is the targeted intervention of a limited number of neighbourhoods selected by the central government. The Problem Accumulation Area Programme in the 1980s was followed by a series of similar programmes targeting a selection of deprived areas. The latest programme started in 2007 and contains 40 priority areas, including De Hoogte. The big difference from previous interventions is that HAs are now expected to pay for a large proportion of the intervention, but in turn are given a major say in policy development.

A key policy shift was triggered by the 'Trust in the Neighbourhood' report by the Dutch Scientific Council for Government Policy (WRR, 2005). This report contended that in the past urban regeneration approaches have not been able to create sustainable improvements. While arguing that 'place matters' and that vibrant neighbourhoods can prevent school drop-outs and anti-social behaviour, the WRR also recognised that the meaning of place differs between citizens and advised that place leadership strategies should respond to these distinct groups with tailored strategies:

— top-down 'social reconquering' strategies led by government and third sectors to address problems of deprivation and social cohesion; and
— bottom-up 'opportunity-driven' approaches in more stable and cohesive neighbourhoods.
   This approach inspired urban regeneration professionals in Groningen - in particular the need to include residents in regenerating their neighbourhoods, even where residents are already active, talented and motivated. Groningen is now one of four 'front-runner' municipalities in the Netherlands actively implementing the 'Trust in the Neighbourhood' principles.

In England there were a number of neighbourhood-based initiatives in the late 1990s and early 2000s (e.g. New Deal for Communities, guide neighbourhoods) and neighbourhood regeneration became a central role for some HAs such as Midland Heart (Mullins &

Murie, 2006). The Housing Market Renewal Pathfinders programme (Department for Communities and Local Government, 2009) had a direct impact on our case study, which is located in part of the Urban Living pathfinder area. In the early 2000s a campaign by the representative body for HAs, iN Business for Neighbourhoods was another influence. In the last year or so the transfer of functions from Housing Corporation and English partnerships to the new Homes and Communities Agency (HCA) has had important impacts in strengthening the place-shaping agenda, and expectations of closer working between local government and HAs in regeneration areas.

Midland Heart has adopted iN Business for Neighbourhoods, and promises to put neighbourhoods at the centre of their activities and strive to create places where people want to live. This is communicated in Midland Heart's corporate motto passionate about communities'. Part of the motivation for Midland Heart to lead the partnership with Urban Living and Birmingham City Council to develop the regeneration plan for North Lozells, was the ambition to demonstrate that the merger that formed Midland Heart in 2006 enhanced the organisation's resources, thereby meeting regulatory expectations that mergers should add value for tenants and communities.

The shift of responsibility for housing development from the Housing Corporation to the HCA led Midland Heart and Birmingham City Council to integrate regeneration plans for North Lozells and South Lozells, doubling the size of the plan area from 2000 to 4000 properties. Thus the definition of place was amended in order to have a stronger position in future tenders for development funds with the HCA.

§ 7.4.4   **Leadership styles**

Leadership in contemporary urban regeneration processes does not resemble the traditional 1970s and 1980s hierarchical leadership model, but instead adopts a more distributed approach, based on the development of common understandings and joint outcomes as envisaged by the network governance paradigm (Klijn & Teisman, 1997; Mabey & Freeman, 2010).

What we see in Groningen and Birmingham are collaborations between a range of agencies and municipal authorities, recognising the need for social and economic interventions that go beyond a bricks-and-mortar view of regeneration. The impacts of regeneration activities on specific places are increasingly taken into account.

In Groningen, urban regeneration leadership is devolved to Neighbourhood Teams that are the main driving force to deliver outcomes for communities. These teams consist of frontline staff from public and third-sector organisations and coordinate activities

to increase social cohesion and the quality of the public realm. The philosophy underpinning the Groningen Neighbourhood Teams is that housing professionals and local authority officers should shape local neighbourhood responses rather than following what 'city hall' or HA headquarters demand.

Top-level officials are expected to support the frontline. In order to get things done and deliver results for communities, top-level officials of both HAs and local authorities aim to empower the Neighbourhood Teams to cut through the red tape and to show stamina and strong leadership.

In Birmingham, the Lozells Neighbourhood Management Board has developed a Neighbourhood Management Plan that contains actions focused on issues such as health, young people, safety and the environment. Investments in the housing stock and plans to invest in the public realm and community facilities are specified in the North Lozells Masterplan. This plan was later developed through a series of engagements with stakeholders and community actors.

§ 7.4.5 Leadership dilemmas and challenges

The position of the Neighbourhood Teams in Groningen is not uncontested. Some participants in Groningen find that the teams do not have a mandate to take decisions because they have no statutory position. They contend that the teams are arenas where actors meet, share information and coordinate actions, but not a place for shared decision-making. Decisions are made individually by the organisations participating in the Neighbourhood Teams: the respective municipal departments, HAs and other third-sector organisations. Opponents contend that the Neighbour- hood Teams in Groningen are part of the New Local Area Covenant that has been approved and thereby legitimised by the City Council. But there are no terms of reference guiding the working of the Neighbourhood Teams.

In addition, critics point out that bold action assumes that everybody in the Neighbourhood Team has the same perspective on the actions to be taken, and that is often not the case. Actors involved in decision-making often do not have the same interests. They stress that it is often difficult and time-consuming to create consensus on interventions. Furthermore, this emphasis on delivering results favours a short-term over a long-term perspective. An informant from the Groningen municipality used the example of a playing area for kids: 'it is rather simple to place a new toboggan, but who is going maintain this, what about creating a precedent? If you give one community a new toboggan, what if another neighbourhood asks the same thing?'

In Birmingham the Lozells Neighbourhood Management Board is the equivalent of the Neighbourhood Teams in Groningen. But there are some differences. The Neighbourhood Management Board in Lozells has a statutory position and is led by a neighbourhood manager employed by the Birmingham city council. The terms of reference setting out who can participate in the board and how decisions are made has been approved by the Perry Barr Constituency Committee. Perry Barr is one of the 10 electoral constituencies in Birmingham, and is part of the local structure of representative democracy.

Another difference is that the Lozells Neighbourhood Management Board has almost no financial resources. The board is dependent on other organisations, municipal departments or HAs such as Midland Heart to supply resources. In contrast, the Neighbourhood Team in Groningen has considerable funds to allocate each year from the New Local Area Covenant.

§ 7.4.6   Community engagement

In Groningen, two different kinds of interventions have been developed for De Hoogte. First a collective track has been developed that will focus on improving the public realm, community safety and facilities for young people. A second track addresses individual issues such as health, unemployment, education and financial exclusion. This individual approach to regeneration is relatively new in the Netherlands. It comes in response to criticism levelled at the traditional 'bricks- and-mortar' regeneration. Rather than solving problems, earlier regeneration had simply displaced them by moving households facing multiple forms of deprivation to other neighbourhoods.

For the collective track professionals take a facilitating role with a heavy emphasis on community engagement, but for the individual track a more assertive institution-led 'go for it' approach is used and residents do not participate in decision-making on these issues. These different approaches reflect the neighbour- hood strategies described by the WRR, i.e. 'social reconquering' and 'opportunity- driven'.

In Groningen, the Neighbourhood Action Plan is not very specific on actions that belong to the so-called collective track (e.g. safety environment, public realm and social cohesion). The plan only describes the intended outcomes and the budget available. Project proposals need to be developed and decided on by residents and selected during Neighbourhood Voting Days. These proposals have to contribute to the goals included in the Neighbourhood Action Plan. In De Hoogte the following goals have been selected: improve the quality of the public realm, create education and employment perspectives for young people and increase the feeling of security in the area.

In 2008, the first Neighbourhood Voting Day was organised. A special instrument, called the Value Sieve, was developed to support large scale and sophisticated decision-making by residents. Using an electronic voting system, residents can assess project proposals based on their perceived contribution to the goals included in the Neighbourhood Action Plan. Community engagement processes in the two parts of Lozells developed in parallel, reflecting contrasting actor strategies. In North Lozells, urban regeneration options were first discussed in a series of workshops attended by officers from several Birmingham City Council departments and staff members from Midland Heart. Only after these actors had reached consensus about the outlines of the regeneration options was a public consultation organised for residents to have their say. Midland Heart intentionally did not involve resident's groups in the first development stage because of the fragmented nature of communities and their representatives in the area and doubts about how representative these groups were for the larger resident population. Nevertheless, Midland Heart reports that resident involvement and public consultation are a key component in the regeneration of Lozells.

In South Lozells, a different approach was taken by the Birmingham City Council housing department and some resident groups were involved in the early develop-ment stages. Parallel to this a Lozells neighbourhood manager also conducted a consultation with residents to develop a Neighbourhood Management Plan.

All these community engagement initiatives appear to be duplicated by a new consultation process called the Community Dialogue Roadshow. This roadshow is organised by a Handsworth and Lozells CommUNITY Team, part of Birmingham City Council. The topics the CommUNITY team is exploring seem to overlap with the issues addressed in earlier consultations, namely environment, housing, transport, history and place, regeneration, health and community safety.

A process of 'joining up' has been required in the latest phase, not just to achieve cross-boundary links between the different agencies involved, but also to join up the parallel initiatives north and south of Lozells Road. This process is being consolidated through a single Masterplan based on extensive opportunities for stakeholder and community engagement.

§ 7.4.7   Impacts on democracy and anchorage

Both case studies indicate the importance of contests over authority, legitimacy and mandate in setting the boundaries within which place leadership can take place and the roles of neighbourhood managers and political leaders in negotiating the terms on which interventions can proceed. The network governance concept of democratic

anchorage (Sørensen and Torfing 2007) provides an explicit framework in which such questions of legitimacy can be discussed.

In Groningen, Neighbourhood Teams are central to the delivery of the targets in the Regeneration Covenant. The philosophy underpinning the Groningen Neighbourhood Teams is that frontline staff should be focused on tackling problems in the neighbourhood and not on local politicians or managers in the headquarters of the HA. Top-level officials should support frontline staff and give them sufficient mandate.

In Dutch urban regeneration circles frontline staff displaying this 'can do' attitude are sometimes admiringly referred to as 'urban marines' emphasising the risk-taking behaviour and bold action expected from them to solve problems and advance the neighbourhood agenda further. In Groningen, the Neighbourhood Teams are the embodiment of these 'urban marines'.

Recent evaluation of the Neighbourhood Teams shows that strong leadership in neighbourhood is not as easy as it seems. Some members of Neighbourhood Teams emphasised that strong leadership and taking bold action in urban regeneration is problematic. They contend that municipal policies (e.g. policies on green areas, playing areas and architectural quality) are there for a reason, and the fact that their intentions are good does not mean that Neighbourhood Teams have the mandate to ignore policies and rules that have been approved by elected politicians of the city council.

Supporters of Neighbourhood Teams showing strong leadership contest that there is a strong democratic foundation because the brief of these teams is part of the urban regeneration covenant that has been approved by the city council. In addition, the Neighbourhood Action Plan for De Hoogte has been approved by the council and the national housing minister.

In Birmingham, HA Midland Heart is leading the partnership with Urban Living and Birmingham City Council to develop the regeneration options for the North Lozells. Interviewees regard it as rather unusual that Midland Heart as a non-state actor is taking the leading role but this is generally regarded as a pragmatic and non-problematic solution.

In England, resident consultation is a big issue for the government and an important part of performance inspections by the Audit Commission. In addition, close collaboration between local authorities and HAs in place-making is an important subject for public bodies funding urban regeneration. This appears to be even higher on the agenda of the new HCA, than for previous agencies. This development could have the added value of putting democratic accountability back at the centre of place leadership and urban regeneration.

Conclusions

Based on our findings from Birmingham and Groningen we draw three interim conclusions. The first and second concern the analytical value added by each of the two paradigms discussed, the third concerns the practical contribution that place leadership and network governance can have on neighbourhood outcomes.

What does the place leadership focus add to existing analysis within the network governance paradigm?

This article has considered the value added by the place leadership focus to existing knowledge on neighbourhood regeneration. Superficially, there would appear to be a quite limited added value for analyses that already recognise the importance of cross-boundary working and the engagement of residents and communities in influencing decisions on the future of the places that are important to them. However, one critique of the network governance paradigm that may be overcome by the overlaying of place leadership concepts is the putative tendency of the former to reduce political problems and conflicts to management questions that can be addressed by tools such as those used in the Groningen case study. The connections and tensions between networks and democracy have been explored by Klijn and Skelcher (2007) and Sørensen and Torfing (2007) and are directly confronted by place leadership. Policy-driven applications of place-shaping in England have tended to re-assert the authority of municipal government in relation to third-sector agencies such as HAs (e.g. the HCA's insistence on a 'single conversation' between local agencies involved in house-building, area regeneration and place-shaping and the earlier re-assertion by Lyons (2007) of the primary role played by local government in place-shaping).

However, in Birmingham urban regeneration plans are developed in partnerships that involve local authority departments, HAs and resident consultation, yet the position of local ward councillors in the decision-making process remains unclear. In Groningen, politicians have a more prominent and clearly defined role in urban regeneration decision-making. But there remain tensions between decisions made by Neighbourhood Teams and city council policies and priorities.

Emerging academic perspectives on place leadership (e.g. Mabey & Freeman, 2010) may strengthen attention to political factors such as authority, legitimacy and power. This could occur through problematisation of the notion of leadership, recognition of the role of distributed leadership and the links between leadership and power.

What added value can network governance bring to place leadership?

Network governance can fill some of the conceptual gaps associated with the currently undertheorised stage of place leadership. In particular the consideration by network governance of cognitive processes and actor behaviour can begin to fill gaps concerning 'what leaders do' in their place-shaping and boundary-spanning roles. The introduction of new ideas and new actors (such as different types of local residents) may overcome 'closedness' in decision-making. The increasing recognition within Dutch neighbourhood regeneration practice of the different motivations and behaviour of different market segments within regeneration neighbourhoods is a good example.

The emphasis of network governance on process - for example, showing how actor behaviour evolves through a series of games played to a set of emergent rules - can add a dynamic perspective on the content of the activities of place leadership. In Birmingham new actors (such as the HCA) have entered the arena and changed the rules for subsequent games (the size of regeneration neighbourhoods and expected interactions between HAs and the local authority). In Groningen the paradigm of strong place leadership advocated by top-level local government and HA officials appears difficult to implement due to the large number of actors and fragmentation of resources. 'Trust in the Neighbourhood' requires a different approach to genuinely involve residents.

Another approach that place leadership might borrow from network governance is the development of research tools to enable comparisons between interventions and outcomes in different places. By developing typologies of place leadership tools similar to Klijn et al.'s (2010) typology of network management strategies, survey-based comparisons between places may be added to the intensive case studies of individual place leadership initiatives included in this special issue.

What evidence is there that place leadership and network governance achieve better outcomes for places such as Lozells and De Hoogte that have been on the sharp end of structural economic and social change?

Ultimately, the test of place leadership will be its ability to deliver better outcomes for the residents of neighbourhoods undergoing regeneration interventions. The history of areas such as Lozells and De Hoogte have been of a succession of interventions that have fitted the policy paradigms of the time but which have not fundamentally changed the position of the neighbourhood or the overall experience of the residents. The longitudinal perspective provided by our research has clarified the short-lived nature of some of the interventions, suggesting that outcomes are often transitory stages in a longer-term change process. The games metaphor used in network governance provides a helpful way of understanding the relationship between outcomes and

process. For example, the conversions of large houses into flats for social rent by HAs in Lozells in the 1970s were successful outcomes for policy then, but became part of the problem definition in later rounds of games in the 2000s when these flats were to be de-converted into housing for sale.

A key contribution of network governance is the recognition that successful neighbourhoods cannot be planned using traditional systems with a priori objectives. The need to engage with a wide range of actors and residents means that successful outcomes will usually be joint outcomes that are to some extent emergent rather than intended. In the early stages of the planning process an option to demolish some of 'the 'groves'[19] in North Lozells was considered. These areas were then perceived as badly-designed urban spaces causing problems with parking and litter. During the consultation process, the involvement of a new actor, English Heritage, reframed 'the groves' from a problem into a heritage asset. The demolition option was replaced by a strategy to improve the public realm and introduce intense management in close collaboration with residents.

Within network governance there is a tendency to define satisfactory outcomes as those which enjoy greatest joint support from actors involved in the process (Kickert et al., 1997). Consequently, there are dangers that more inclusive approaches that engage a wider range of actors including different market sectors of residents could appear to be less successful since the benchmark of satisfaction is raised to include a wider range of preferences and experience. Ultimately, in our view, more democratic and inclusive approaches to decision-making on neighbourhood regeneration are likely to result in better outcomes, but not necessarily in greater consensus. The focus of the place leadership paradigm on places as outcomes and local leadership and engagement needs to be matched by new evaluative approaches capable of providing a more nuanced picture of outcomes.

---

19   'Groves' are clusters of housing located on dead-end streets resembling courtyards with only one entrance.

References

Arnstein, S. (1969). A ladder or citizen participation. *Journal of the American Institute of Planners, 35* (4), 214-224.

Department for Communities and Local Government (DCLG). (2009). *Key messages and evidence on the housing market renewal area programme 2005-2009*. London: Department for Communities and Local Government.

Collinge, C., & Gibney, J. (2010). Connecting place, policy and leadership. *Policy studies, 31 (4)*, 379-391.

Davies, J.S. (2002). The governance of urban regeneration: a critique of the governing without governance thesis. *Public administration, 80* (2), 301-322.

Florida, R. (1995). Toward the learning region. *Futures, 27* (5), 527-536.

Gibney, J., Copeland, S., & Murie, A. (2009). Toward a 'new' strategic leadership of place for the knowledge-based economy. *Leadership, 5*(1), 5-23.

Gibney, J., & Murie, A., (Eds.) (2008). *Toward a 'new' strategic leadership of place for the knowledge-based economy*. Leeds, UK: Academy for Sustainable Communities.

Healey, P. (2006). *Urban complexity and spatial strategies: towards a relational planning for our times*. London: Routledge.

Kickert, W., Klijn, E.H., & Koppenjan, J. (1997). *Managing complex networks: strategies for the public sector*. London: Sage.

Klijn, E.H. (2008). *'It's the management, stupid!' On the importance of management in complex policy issues*. The Hague: Uitgeverij LEMMA.

Klijn, E.H., & Skelcher, C. (2007). Democracy and governance networks, compatible or not? *Public administration, 85*(3), 587-608.

Klijn, E.H., Steijn, B., & Edelenbos, J. (2010). The impact of network management on outcomes in governance networks. *Public administration, 88*(4), 1063–1082.

Klijn, E.H., & Teisman, G.R. (1997). Strategies and games in networks. In W. Kickert, E.H. Klijn, & J. Koppenjan (Eds.) *Managing complex networks: strategies for the public sector* (pp. 98-119). London: Sage,

Koppenjan, J., & Klijn, E.H. (2004). *Managing uncertainties in networks: a network approach to problem solving and decision making*. London: Routledge.

Lyons, M. (2007). *Lyons inquiry into local government: place-shaping: a shared ambition for the future of local government. Final report*. London: The Stationery Office.

Mabey, C., & Freeman, T. (2010). Reflections on leadership and place. *Policy studies, 31*(4), 505-522.

Mullins, D., & Murie, A. (2006). *Housing policy in the UK*. Basingstoke, UK: Palgrave.

Mullins, D., & Rhodes, M.L. (2007). Editorial special issue on network theory and social housing. *Housing theory and society, 24*(1), 1-13.

Powell, W.W. (1990). Neither market nor hierarchy: network forms of organisation. *Research in organisational behaviour, 12,* 74-96.

Rhodes, R.A.W. (1997). *Understanding governance: policy networks, governance, reflexivity and accountability*. Buckingham, UK: Open University Press.

Sørensen, E., & Torfing, J., (Eds.) (2007). *Theories of democratic network governance*. London: Palgrave Macmillan.

Sullivan, H., & Skelcher, C. (2002). *Working across boundaries. Collaboration in public services*. Basingstoke, UK: Palgrave Macmillan.

Trickett, L., Lee, P., & Gibney, J. (2008). *Why place matters, what it means for leadership*. In: 7th international conference on studying leadership, 8-9 December 2008. New Zealand: University of Auckland, 1-26.

Van Bortel, G. (2009). *Shifts in social housing governance. A network approach*. Unpublished PhD outline, Delft University of Technology.

Van Bortel, G., & Mullins, D. (2009). Critical perspectives on network governance in urban regeneration, community involvement and integration. *Journal of Housing and Built Environment, 24*(2), 203-219.

Van Bortel, G., Mullins, D., & Rhodes, M.L. (2009). Exploring network governance in urban regeneration, community involvement and integration. *Journal of Housing and Built Environment, 24*(2), 93-101.

WRR (Scientific Council of Government Policy). (2005). Vertrouwen de buurt [Confidence in the neighbourhood]. Den Haag: WRR.

PART 3 Conclusions and Reflections

HOUSING HERO 3:

[Neighbourhood regeneration] is a job that cannot begin too soon. But on the other hand it is also a job that is never over and done with, and never will be, in any given place.

Jane Jacobs (1916-2006), American-Canadian journalist, author, and urban activist.

8 Will the Participation Society succeed? Lessons from neighbourhood regeneration programmes in England and the Netherlands

Abstract

Inspired by the Big Society agenda in the UK, the Dutch government has introduced an ambitious programme to devolve responsibility for welfare services to local authorities. This devolution is accompanied by substantial budget reductions, based on the assumption that local actors are able to deliver more efficient, tailor-made and effective services. Central to this new policy paradigm is the more active involvement of citizens in the co-production of solutions to complex societal problems through the development and sustaining of intermediary arrangements between individuals and public sector agencies such as housing associations.

This chapter aims to increase our current limited understanding of the conditions under which connections between public sector professionals and citizens are able to solve place-related and people-related problems. This chapter is based on Dutch and English neighbourhood regeneration case studies. A theoretical framework connecting governance network theory with Habermas's concepts of 'system' and 'lifeworld' guides this exploration.

Keywords

Big Society, Governance Networks, Lifeworld and System, Housing Associations

191   Will the Participation Society succeed? Lessons from neighbourhood regeneration programmes in England and the Netherlands

TOC

§ 8.1.1   Participation Society policy paradigm

It is undeniable that people in our current network and information society are more empowered and independent than before. Combined with the need to reduce the government's deficit, the classic Welfare State is slowly transforming into a Participation Society. Anyone who can, should take responsibility for his or her own life and neighbourhood. (Dutch Government, King's Speech 2013)

In 2013, the notion of a 'Participation Society' ('Participatiesamenleving'), a new term in the Dutch vocabulary, was instantly elected as *the* word of the year (Onze Taal, 2013). Remarkably, it was also nominated as the most disagreeable term in 2013 *and* 2014 (Dutch Institute of Lexicology, 2014). It was not only a new term but also a key element of the government's welfare-state reform policy. Notwithstanding the ambivalence surrounding the Participation Society agenda, the national government expeditiously began implementing important elements of it, such as the 'three welfare decentralisations', in January 2015. This entailed the devolution of social care, youth and work-related support services to local authorities, and included a considerable reduction of available budgets (Association of Dutch Municipalities, 2013). In addition, support services to address unemployment were elaborated in the *Participation Act* (Law Gazette, 2014).

Local authorities are now developing new institutional arrangements to accommodate their new responsibilities and cope with reduced budgets. One of the frequently used solutions is the creation of multi-disciplinary and multi-agency 'Social Neighbourhood Teams' ('Sociale Wijkteams') to improve coordination between professionals in order to deliver integrated and tailor-made services that make better use of the strengths and capabilities of citizens (Hilhorst & Van der Lans, 2015; Movisie, 2013). In 2015, it was expected that 89% of all Dutch local authorities would have one or more Social Neighbourhood Teams. In 2014, this number was 69% (Van Arum & Schoorl, 2015).

The expectations surrounding such a Participation Society are high. Will it succeed or will it turn out to be a 'fig leaf' for government cutbacks and austerity? Without adequate support, vulnerable people and places may fall into the abyss created by government cutbacks. Institutions and programmes that can deliver this support are being affected by the austerity measures that are part of the current Participation Society agenda (Hilhorst and Van der Lans, 2015; Tonkens, 2014a).

The Dutch Participation Society agenda is strongly inspired by the English Big Society agenda that was presented by David Cameron in the run up to the 2010 election (Cameron, 2009; Van der Horst, 2013; Rutte, 2013). The welfare state reforms driven by the Big Society and Participation Society agendas both aim at more active citizenship by devolving responsibilities to the local level (e.g. individuals, local authorities and civil society). There are, however, considerable differences in the way the Dutch and English governments have framed and implemented their reforms. Based on an analysis of policy documents and political speeches, Verhoeven and Tonkens (2014) found that English politicians use 'empowerment talk', calculated to trigger positive feelings about being active citizens, while Dutch politicians employ 'responsibility talk', conveying negative feelings about the failure to participate more actively in society. Based on the policy discourse used in England, the government is to blame because it became too big – participation is conceived of as a civic 'right'. In the Netherlands, the citizens are the culprits because they have become too complacent and too dependent on the government – participation is thus understood as a civic 'duty'.

Learning from co-production in neighbourhood regeneration

Government cutbacks to services supporting vulnerable places and people are not new. In 2011, the Dutch national government terminated its involvement in the Empowered Neighbourhoods Programme, which was introduced in 2007 to support 40 vulnerable neighbourhoods across the country (WWI, 2007). This was one of the first domains in which the Participation Society – avant la lettre – came to the fore. The government announced the premature termination of the programme in a letter to Parliament, in which the arguments used to justify the termination were remarkably similar to the text of the 2013 King's Speech:

The Empowered Neighbourhoods Programme demonstrates that many residents are highly capable of independently achieving improvement in their local community. That is what they prefer. Therefore, residents have a key role. (Donner, 2011)

As part of the 2007 Empowered Neighbourhoods Programme, several Dutch cities created Neighbourhood Teams. While these teams had a stronger focus on place-related and collective problems (e.g. safety, social cohesion and quality of life), the more recently established Social Neighbourhood Teams have a stronger focus on people-related issues (e.g. social inclusion, health, social care, work and parenting). The focus may differ, but the challenges facing these new Neighbourhood Teams remain largely the same: strengthening multi-disciplinary work and creating stronger connections between the activities of professionals and people and communities based

on the latter's needs and capabilities. The experiences of actors directly involved in these teams could support the implementation of the Participation Society agenda.

In England, while Big Society supporters might claim to be focused on empowering residents, the programme is mainly known for being accompanied by severe austerity measures, government reductions in welfare provisions and the termination of government programmes. The concept is strongly criticised for exactly this reason. Philip Blond, one of the co-creators of the concept, has since argued that 'Austerity strangled Big Society at birth'[20] (also see Blond, 2010). Many see the notion of Big Society as entailing a philosophy of self-help, with few, if any, additional resources (Bailey and Phil, 2011). Jacobs and Manzi (2014, p. 40) have suggested that the 'localism' framework of community planning that emerged from the Big Society paradigm is very likely to disempower local communities and will lead to decision-making being controlled and managed by small numbers of unrepresentative elites masquerading as local and community-focused groups. As we will discuss later in this chapter, the austerity measures introduced in the 2010 Comprehensive Spending Review terminated funding for many initiatives that supported forms of co-production in neighbourhood regeneration. There was also a scaling back of funding for infrastructure bodies that are vital in supporting the development of skills and capacity among community-led bodies (Caron and MacMillan, 2014).

§ 8.1.3   Goal, scope and structure

We still have a limited understanding of the differences between the world of professionals and the world of citizens and local communities (Van den Brink, Van Hulst, De Graaf, & Van der Pennen, 2012; Van Hulst, De Graaf, & Van den Brink, 2011, 2012; Van der Pennen & Van Bortel, 2015). Moreover, limited use has been made of the experiences of neighbourhood teams and the lessons learned that might promote the successful implementation of Participation Society policies.

This chapter aims to contribute to the body of knowledge concerning the factors influencing collaborative connections between public sector agencies and citizens that aim to resolve place-related and people-related problems. This chapter will pay special attention to the role of third sector housing associations and the perceptions of the actors directly involved. Many of the people who should benefit from the Participation Society agenda come from low-income households, live in deprived neighbourhoods and are tenants of housing associations. Social housing landlords have played a

---

20   Interview with Philip Blond on Altijd Wat on 24 November 2014.

prominent role in neighbourhood regeneration in both the Netherlands and England (Mullins & Murie, 2006; Mullins, 2010; Van Gent, 2009; Van Gent, Musterd, & Ostendorf, 2009). Therefore, case study data from neighbourhood regeneration programmes from both countries will be used.

The theoretical and methodological framework of this chapter will be briefly introduced in § 8.2 below. This framework is then applied in § 8.3 and § 8.4 to case study data from two neighbourhood regeneration programmes, one in the Netherlands and the other in England. The chapter concludes with a discussion of some of the key factors influencing the success or failure of collaborative connections between agencies and citizens.

§ 8.2 Theoretical perspective and methodology

§ 8.2.1 Participation Society and the international debate on co-production

Welfare reform and the Big Society and Participation Society agendas are related to the debate on the role of citizens in the provision of public services and the development of joint solutions to social problems: also referred to as 'co-production' or 'co-creation' (Voorberg, Bekkers, & Tummers, 2014; Boyle & Harris, 2009; NEF, 2007). International research on co-production processes and outcomes is still limited and inconclusive. Some research results suggest that the involvement of citizens can increase the efficiency and effectiveness of public service delivery and also increase the affective connection between citizens and government (Clark, Brudney, & Jang 2013; Dunston et al., 2009; Osborne, 2010a, 2010b; Thomas, 2012). Some findings suggest that third sector organisations are better able to develop higher and more sustainable levels of citizen participation in the provision of public services compared to public and for-profit providers, insofar as they have a strong focus on local communities (Pestoff, 2006, 2008, 2009). In contrast, based on an extensive literature review, Voorberg, Bekkers and Tummers (2014) concluded that little is known about the benefits and the effects of co-production with citizens. Not only is little known about the outcomes, in addition, most of the research undertaken has been focused on the role of government and organisations in co-production processes and has barely looked at the role of citizens.

195   Will the Participation Society succeed? Lessons from neighbourhood regeneration programmes in England and the Netherlands

TOC

Participation Society and the limitations of the governance network perspective

$\cdots\cdots\cdots\cdots\cdots\cdots\cdots\cdots\cdots\cdots\cdots\cdots\cdots\cdots\cdots\cdots\cdots\cdots\cdots\cdots\cdots\cdots\cdots\cdots\cdots\cdots\cdots\cdots\cdots\cdots$

The Participation Society[21] paradigm and the concept of co-production imply more intensive collaboration between professionals and citizens. These different groups of actors bring diverse and sometimes conflicting sets of values and rules into decision-making arenas. This requires a theoretical framework that helps us understand interactions between very diverse actors. Governance network theory is a promising approach to explore, explain and support these complex multi-actor decision-making processes (Kickert et al., 1997; Koppenjan & Klijn, 2004; Rhodes, 1997).

An important element of governance network theory concerns the notion that in the context of uncertainty interdependent actors solve problems by participating in decision-making 'games'. The often compounded and interrelated nature of problems in deprived neighbourhoods compels actors to combine their resources with the capabilities of local communities (Hilhorst & Van der Lans, 2015). In order to solve problems, actors need to be brought together. In governance network theory this is often referred to as establishing 'couplings' between actors (Koppenjan & Klijn, 2004; Weick 1969, 1979; Crozier & Friedberg, 1980). These couplings can be arranged in various ways: ranging from light and informal arrangements to settings that are more formal and anchored in written agreements and contracts. Insofar as interactions are guided by the 'rules of the game', if decision-making games are to be successful, actors need to agree on these rules (Koppenjan & Klijn, 2004, p. 193).

Governance network approaches are mainly focused on inter-organisational interactions. Perspectives concerned with understanding interactions between professionals and citizens are less developed within this academic domain. Koppenjan and Klijn (2004, p. 198) state that as an element of sound network management, actors should be 'matched' according to hierarchical level, skills, competences and professional language. In governance network theory, citizens are often regarded as 'outsiders' to the problem-solving and decision-making arenas. Their involvement is seen as an aspect of the democratic anchorage and legitimacy of the governance network itself (Bogason & Zølner, 2011). The Participation Society paradigm sees citizens as co-producers of solutions. Consequently, they can neither be regarded as outsiders nor as just 'regular' institutional actors. The coupling of professionals and residents in decision-making arenas is therefore difficult to reconcile with the network management requirements of matching languages, values, hierarchies and skills.

---

21   For the remainder of this chapter we will use 'Participation Society' when referring to the policy agendas of both the Dutch and English governments. We acknowledge that the concepts are closely related but not identical.

§ 8.2.3 Connecting governance network theory with Habermas's theory of communicative action

Several scholars, commentators and others have pointed to the differences and interrelationships between the world of organisations and the world of residents with respect to neighbourhood regeneration (Van der Lans, 2012; Van den Brink et al., 2012; VROM-Raad, 2007; Van der Pennen & Van Bortel, 2015; Tonkens 2014a; Tonkens & De Wilde, 2014; Stienen, 2015). In developing his theory of 'communicative action' (1987), Habermas theorises about the differences between 'system' and 'lifeworld', distinguishing two forms of rationality at work in modern society: first, an 'end-means rationality' dominant in what Habermas calls the 'system', and second, 'communicative rationality', which is the cohesive mechanism in the 'lifeworld'. The system includes all that people have developed in the form of organisations, rules, laws, procedures and hierarchies in societal domains such as economics, politics, education, housing, science, government, healthcare, welfare and justice. In contrast, the lifeworld is the domain of personal relationships between family members, friends, neighbours and members of local, faith or other groups. It is a world of informal communication, storytelling, personal values, experiences and emotions, but also a domain of social inequality and conflict (Van den Brink et al., 2012, p. 56).

Bureaucracies are the most undiluted form of the 'system' (Weber, 1922/1992, quoted by Van den Brink et al., 2012, p. 55). Bureaucracies have largely contributed to the growth of productivity and the creation of our modern welfare state. Due to their success and efficiency they have spread to many government institutions, and also to large profit and non-profit companies. However, that success has come at a price: bureaucracies function best when the human element is eliminated and decisions are based on strictly formal, rational and hierarchical rules. Such system agencies are increasingly met with scepticism and distrust (Kunneman, 1998; Sieckelinck et al., 2013; WRR, 2005). Habermas contends that system agencies have become estranged from their roots and have begun to 'colonise' the lifeworld. According to Habermas, the untapped potential of the lifeworld should be mobilised to reverse this development (also see WRR 2012; Van der Lans, 2012). This invites the question of whether the Participation Society agenda is part of a 'decolonisation' or a 'colonisation' process.

The reservations surrounding the ability of system agencies to develop and sustain connections with people and communities are not new. In 1992, the Dutch Scientific Council for Government Policy (Dutch acronym: WRR) questioned the ability of public sector organisations to develop 'civic' values and behave like good fellow citizens (WRR, 1992, p. 89). A more recent report by the same council concluded that only enlightened, talented and independently minded frontline workers (professionals) are able to make and sustain connections between the system and the lifeworld (WRR, 2012, p. 14).

Van den Brink et al. (2012, p. 59), using Habermas and Weber, summarised the incongruities between the logic of the system and that of the lifeworld [see Table 8.1 below]. These incongruities are primarily ideal types in the Weberian sense, and will rarely be seen in undiluted form in empirical reality. Both worlds have their own logic and rules, but do not exclude each other completely. Most citizens are well versed in navigating both the system and the lifeworld. They switch back and forth almost daily and are perfectly capable of distinguishing the rules that apply in work and in private. In vulnerable neighbourhoods, however, the tension between both worlds can take extreme forms (Van den Brink et al., 2012). Residents in these areas often have very intense contact with system agencies. This may be because they are on a waiting list for social housing, receive unemployment benefits, have chronic health issues, have children that have dropped out of school, broken the law or are victims of those that have. Many withdraw behind their front door, in order to have as little as possible to do with system agencies (social care avoiders), others are overwhelmed by professionals from various system agencies that deliver social support to one family or individual but insufficiently coordinate their activities. In both instances, problems often remain unresolved.

	SYSTEM (WEBER'S BUREAUCRACIES)	LIFEWORLD (HABERMAS)
1.	Salaried staff	Voluntary service
2.	Division of labour and specialisation	Communicative action
3.	Formal rules and procedures	Informal rules and personal outcomes
4.	Functional hierarchies	Social inequalities
5.	Functional relations	Personal relations
6.	Rational power resources	Values and emotions

TABLE 8.1 Theoretical incongruities between the logic of the system and the lifeworld
Source: Van den Brink et al. (2012, p. 58), translation by authors

There are different views about the relationship between the system and the lifeworld: is the system separated from the lifeworld or is it not so much detached from the lifeworld but 'colonising' that lifeworld's logic and values? While the first premise suggests that professionals are no longer able to communicate with vulnerable people because they come from different 'worlds', the second premise assumes that residents are able to talk and think like professionals. Both are unsatisfactory, and they require different solutions (Mensink, 2015). The conclusions of Van der Pennen and Van Bortel (2015) support this, suggesting that in order to overcome these incongruities a careful match should be made between professionals and the environment in which they work. Some exemplary urban practitioners are successful in their work in the rough-and-tumble of the world outside bureaucratic institutions. Others are more successful working inside these institutions (Van der Pennen & Van Bortel, 2015, p. 19).

This chapter is one of the outputs of a qualitative cross-national longitudinal exploration of the role played by housing associations in neighbourhood regeneration governance in the Netherlands and England (Van Bortel, 2015). The fieldwork for this study was conducted between 2007 and 2014. The important components of this research project are two longitudinal case studies on the role played by housing associations in two deprived neighbourhoods. In total, the study included around 70 in-depth interviews with actors involved in the local neighbourhood regeneration networks in Groningen and Birmingham, such as officers from the housing association and local authority and community representatives. This chapter is informed by approximately 20 of these interviews. Many actors were interviewed multiple times over the years to capture contextual changes and developments. For the purpose of this chapter, the empirical data from this study (interview transcripts and policy documents) was analysed in the light of incongruities between system and lifeworld as discussed by Van den Brink et al. (2012).

§ 8.3   **The case studies: agencies, areas and arenas**

This section introduces the system agencies, the case study areas and the decision-making arenas that played an important role in the analysis.

§ 8.3.1   **Agencies**

In recent decades, non-profit housing organisations in the Netherlands and the UK have taken a prominent role in neighbourhood regeneration initiatives (Mullins & Van Bortel, 2010; Van Bortel & Elsinga, 2007; Van Bortel et al., 2009; Van Bortel & Mullins, 2009; Van Bortel, 2009). The focal actors in the current case studies are two such housing associations: the Groningen-based housing association *De Huismeesters* (6,500 properties) and housing association *Midland Heart*, which owns and manages 32,000 properties across the West Midlands. These organisations were selected because they have both expressed the ambition to give residents an important role in the regeneration of their neighbourhoods. They are not necessarily representative for the entire social housing sector in their respective countries. The Groningen and Birmingham local authorities also played a prominent role in the decision-making arenas.

199   Will the Participation Society succeed? Lessons from neighbourhood regeneration programmes in England and the Netherlands

TOC

§ 8.3.2 Areas

This chapter focuses on regeneration activities in two neighbourhoods: Lozells in Birmingham (England) and De Hoogte in Groningen (the Netherlands). Both areas face compounded issues concerning social, economic and physical deprivation, with the housing associations playing an important role in initiatives to improve the quality of life in these areas, and both areas were also part of nationwide neighbourhood regeneration programmes. Lozells was part of the Housing Market Renewal (HMR) programme and was included in 'Urban Living', the HMR Pathfinder for Birmingham and nearby Sandwell (Audit Commission, 2011; Webb, 2010; Wilson, 2013; Leather et al., 2012) that started in 2003 and was prematurely terminated in 2011. De Hoogte was selected as one of the 40 priority areas in the Netherlands that were part of the Empowered Neighbourhoods Programme initiated in 2007 and prematurely terminated in 2011 (WWI, 2007). Both areas have a long history of regeneration initiatives going back to the 1970s, combining social and economic initiatives to increase community cohesion and support vulnerable individuals. Investments have been made to improve the quality of the public space, neighbourhood facilities and the quality and variety of the housing stock.

§ 8.3.3 Arenas

In partnership with the Birmingham City Council and the Urban Living HMR Pathfinder, housing association Midland Heart developed a master plan in 2009. The plan stated that the agencies 'wanted to harness the talent of the area's community to create mixed and well-functioning neighbourhoods' (Birmingham City Council, Midland Heart and Urban Living Partnership, 2009, p. 25). In a similar vein, the 2007 Neighbourhood Action Plan for De Hoogte, developed by local housing associations and the Groningen local authority, stated that 'We want to transfer the control over the future of the area to residents and neighbourhood professionals' (Groningen Local Authority and Housing Associations, 2007, pp. 3-4). There were clear parallels between the ways the agencies in both countries wanted to involve local communities in neighbourhood regeneration. As part of these regeneration programmes, decision-making arenas were created to couple system agencies (e.g. professionals working for housing associations and local authorities) and local communities (e.g. residents and community volunteers). These arenas are visualised in Figure 8.1. Table 8.2 contains examples of the various types of arenas. This chapter focuses on 'Type 3' arenas, which are briefly introduced in Table 8.3.
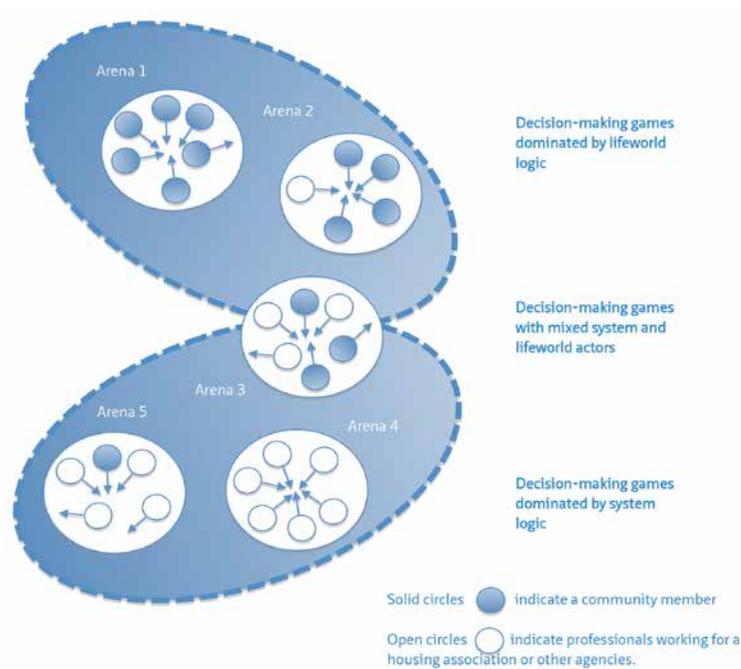
FIGURE 8.1 Arenas in informal (lifeworld) and formal (system) networks
Note: Each circle in the figure above represents an actor. The direction of arrows indicates the level of shared understanding and mutual goals between the actors involved. The figure presents generic examples of arenas which are not directly connected to the case studies.

ARENAS	PREDOMINANT LOGIC	EXAMPLES
1.	Lifeworld	Informal resident meeting
2.	Lifeworld	Informal meeting of residents with a community support officer from a housing association
3.	Mixed system and lifeworld logics (co-production arena)	Neighbourhood team with community members and neighbourhood professionals
4.	System	Neighbourhood Regeneration Steering group with representatives from housing associations and local authority
5.	System	Board of housing association or neighbourhood regeneration agency (e.g. Housing Market Renewal Pathfinder) with members from local communities

TABLE 8.2 Examples of lifeworld, co-production and system arenas

ARENAS	AREA	AGENCIES
1. Neighbourhood Team and Neighbourhood Voting Days	De Hoogte, Groningen	HA De Huismeesters Groningen City Council Third sector social care providers
2. Neighbourhood Management Board and Neighbourhood Manager	Lozells, Birmingham	Birmingham City Council Local ward councillors
3. Resident Involvement Platforms Housing Associations	De Hoogte, Groningen Lozells, Birmingham	HA De Huismeesters HA Midland Heart

TABLE 8.3 Co-production arenas in De Hoogte and Lozells explored in this study

1   Neighbourhood Team and Neighbourhood Voting Days (De Hoogte Groningen)

Neighbourhood Teams were introduced in Groningen in 2007. The creation of these teams was part of a concerted programme run by the Groningen local authority and housing associations to improve the quality of life in deprived neighbourhoods (Groningen Local Authority & Housing Associations, 2007).

The Neighbourhood Team for De Hoogte consisted of professionals from the Groningen local authority, housing associations, third sector social care providers, and several residents. Each neighbourhood received a budget pooled from resources provided by the Groningen City Council and housing associations. The Neighbourhood Team for De Hoogte received special status and additional national government resources after the area was selected as one of the 40 priority areas in the National Empowered Neighbourhoods Programme later in 2007 (Ministry of Housing, Neighbourhoods and Integration, 2007).

Residents could decide on the allocation of the neighbourhood budget to specific project proposals during 'Neighbourhood Voting Days' ('Wijkstemdagen'). These events were organised in De Hoogte once or twice a year in the period 2008–2010. Project proposals were to be resident-led. Up to €500,000 in funding was available for each voting day (Groningen Local Authority and Housing Associations, 2008). Projects receiving the largest number of votes from residents were allocated the requested funding until the budget was depleted: a 'Value Sieve' methodology was used to assess proposals based on their perceived added value to the neighbourhood (Corbett, 2000; Deuten & De Kam, 2006). Some examples of the proposals selected included the 'Colourful Dinner', aimed at bringing members of different community groups together to enjoy a multicultural meal, and the placement in the area of a mobile container with playground equipment.

2   Lozells Neighbourhood Management Board and Neighbourhood Manager (Lozells, Birmingham)

In early 2007, the Birmingham City Council started a neighbourhood management pilot in five areas, including Lozells. A Neighbourhood Manager was appointed and a Neighbourhood Management Board established. This board was chaired by a local councillor and was a platform to discuss and align the activities of public sector agencies with the needs of the local community. The role of the Neighbourhood Manager was to act as a bridge between agencies and to work closely with residents. The programme was funded through 'Working Neighbourhoods Fund' grants, which ended in March 2011 as a result of the 2010 Comprehensive Spending Review (Birmingham City Council, 2011).

3   Resident involvement by housing associations

The resident participation structure of the housing association De Huismeesters included a central Tenant Board ('Huurdersraad De Huismeesters') that served as a platform to discuss issues that affected all residents, for example, the annual rent increase. The Tenant Board was the umbrella body for resident committees that operated on a neighbourhood or estate level. The Residents' Interests Association for De Hoogte ('Bewoners Belangen Vereniging De Hoogte/Selwerderwijken') was the formally accredited resident platform in De Hoogte. In addition to this more general participation structure, De Huismeesters also created a temporary 'Residents Planning Group' as an advisory body for the refurbishment of approximately 400 properties in the period 2008–2011, and organised several public consultation meetings to discuss regeneration plans with residents (De Huismeesters, 2008–2013).

The participation structure of housing association Midland Heart consists of five geographically organised 'Customer Panels', including a panel for Birmingham. The panels provide feedback to an umbrella 'Customer and Communities Committee'. Residents can also participate in 'Customer Groups' for a specific neighbourhood, street or estate.
During the fieldwork period, Midland Heart did not have an active Customer Group in Lozells, but did organise street-level meetings around specific issues such as litter and safety. Midland Heart also organised consultation events to discuss regeneration plans for the area.

203   Will the Participation Society succeed? Lessons from neighbourhood regeneration programmes in England and the Netherlands

TOC

Actor perspectives on system/lifeworld incongruities

This section connects neighbourhood regeneration case study data from Birmingham and Groningen to the six system/lifeworld incongruities as formulated by Van den Brink et al. (2012) in Table 8.1. Each incongruity in this section starts with a brief introduction (in italics) and continues by deductively applying examples from the case studies.

Incongruity 1: Salaried staff *versus* voluntary service

System agencies work with salaried and qualified staff members. Residents are most frequently found in the lifeworld. Most of the time, no money is involved, and there are no hierarchical relationships between active residents and the local community (Van den Brink et al., 2012, p. 57).

The research found indications that professional behaviour is increasingly expected from community volunteers. Not long after the start of the Neighbourhood Teams in 2007, issues arose around the participation of residents in these teams. In a letter to the Groningen City Council (Gemeenteraad), the Groningen Cabinet consisting of the Mayor and aldermen (B&W) stated:

Residents must be able to adequately represent their neighbourhood as well as be able to make trade-offs for the entire neighbourhood on the allocation of resources. Residents need to work within a group of professionals who work on the basis of their own background and knowledge. This actually requires 'professional' community representatives. (Groningen Local Authority, 2008)

This letter gives the impression that professionals are permitted to work on the basis of their own 'background and knowledge', with no adaptation in their routine apparently required. In contrast, residents are expected to 'work in a group of professionals', 'represent their neighbourhood' and 'make trade-offs for the entire neighbourhood on the allocation of resources'. Moreover, a hierarchical relationship is assumed between residents in the Neighbourhood Team and the rest of the community.

A second observation concerns the dominant role of professionals in community initiatives that were intended to encourage the active participation of residents. The Neighbourhood Voting Days, introduced above, were regarded by many as a successful instrument in stimulating community involvement (Groningen Audit Commission, 2011). The Voting Days were indeed successful in Korrewegwijk, a neighbourhood

adjacent to De Hoogte. However, in De Hoogte there was meagre participation from residents. A community worker commented: 'Residents submitted very few proposals. Almost of the all ideas were conceived by professionals. I don't mind this, as long as residents are involved in some way or form, but that was not the case'. Several professionals interviewed indicated that they had attempted to mobilise residents to develop proposals, but the results were disappointing. A housing association officer remarked in 2010 that residents used the Neighbourhood Voting Days as an opportunity to submit ideas that would then be implemented by agencies: 'Residents need to think about the implementation of their plans. We are happy to provide support, but it is not a "you ask and we run" exercise. We do expect some level of reciprocity, but many residents quit when we asked for something in return'.

The positive evaluation of the Neighbourhood Voting Days also overlooked the considerable resources invested in this instrument. A community worker stated that a considerable share of the funding allocated was not used to pay for the direct costs of regeneration activities, but to pay the professionals who were involved in the projects. In Lozells, a considerable share of the funding was also used to pay the professionals. As a ward councillor stated in 2011: 'the [Birmingham] city council have taken a large proportion of regeneration money for their officers. Those officers do things *to* the community rather than *with* the community'.

§ 8.4.2 **Incongruity 2: Division of labour and specialisation
versus communicative action**

Residents experience the lifeworld as an organic whole in which various associated activities come together. The lifeworld does not have a division of labour. In the lifeworld it is important that actors develop a common story (Van den Brink et al., 2012, p. 57).

This research found two patterns that can be linked to the specialisation versus communicative action incongruity. The first pattern involved the limited participation of residents in large capital investment decisions, such as demolition, refurbishment and new housing construction. Large capital investment decisions were usually made in arenas that were not open to residents. Resident participation was far more developed in projects that required limited resources; for example, activities to improve the public realm, street layout, playground facilities and dealing with environmental issues such as littering [Low investments in Figure 8.2].

Large investment plans were first developed, and agreed on, by system agencies. While residents were consulted on draft plans, very few were involved in their inception [High investments in Figure 8.2]. In an interview in 2008, a manager working for De

205   Will the Participation Society succeed? Lessons from neighbourhood regeneration programmes in England and the Netherlands

TOC

Huismeesters commented on this agency-led approach: 'It's important that we involve residents, but we have an investment horizon of 30, 40 or even 50 years. Therefore, it is crucial that a lot of our ideas are included in plans to regenerate the neighbourhood'. That large regeneration investments are mainly institution-led is not necessarily bad. The Lozells Neighbourhood Manager stated in 2009 that 'the options in the master plan were received very positively by the residents consulted. Residents in Lozells will support every investment in the neighbourhood'.
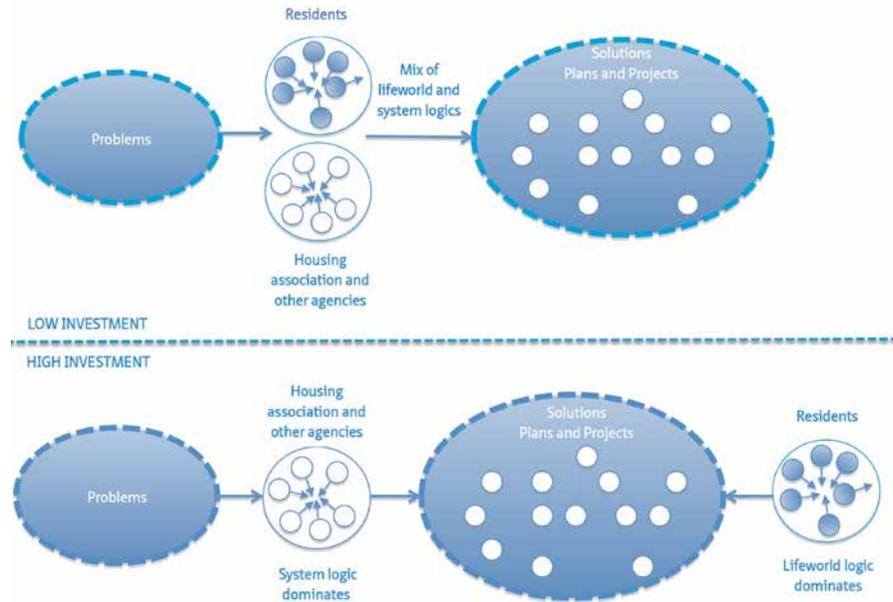

FIGURE 8.2 Dominant consultation approach concerning low versus high capital investment projects

The second pattern entails the creation of many disconnected, specialised agency-led projects because of abundant regeneration funding. A community support officer taking up a position at De Hoogte in 2010 was 'flabbergasted' by the number of projects going on in the area and the number of professionals involved. Two years after the start of the Empowered Neighbourhoods Programme, many professionals involved in these projects still did not know each other: 'I was shocked, we had all kinds of professionals engaged in resident activation programmes, all of which were aimed at similar target groups. There was no coordination and a shocking lack of resident involvement'. These professionals were often new to the area and its residents. This led to a growing resentment among residents and incumbent professionals who preferred a limited number of actors that were 'familiar faces' to the local community (also see Incongruity 6).

Both patterns reinforced the specialised and fragmented nature of neighbourhood regeneration activities and did not support the creation of a 'common story' that was shared by professionals and local communities.

Incongruity 3: Formal rules and procedures *versus* informal rules and personal outcomes

In the lifeworld, fixed rules and procedures play a marginal role. It is not the correct application of rules when undertaking an initiative which is the most important thing but whether that initiative produces outcomes relevant to those directly involved. In the lifeworld of residents, rules are implicit and unwritten, such as rituals, cultural norms and social codes (Van den Brink et al., 2012, p. 57).

Delivering outcomes that are relevant to local communities sometimes requires liaison in order to mediate between and translate the rules and policies of agencies and rules and needs of local communities. In this regard, the Neighbourhood Team in De Hoogte was given a brief to act as an intermediary institution to prioritise neighbourhood needs above city-level policies. In practice, this task proved more complicated than anticipated. A Groningen local authority officer closely involved in the activities of the Neighbourhood Team made a distinction between two kinds of rules. First, there were rules that related to political decisions on the allocation of scarce resources. Second, there were rules that related to public safety principles or the proven effectiveness and efficiency of policy interventions. While it is possible to deviate from the first when wanting to invest additional resources in deprived areas, it is easy to diverge from the latter when interventions are evidently not safe or not effective. A community involvement officer working for De Huismeesters voiced his exasperation in several interviews with respect to the 'lack of courage and decisiveness' of the Neighbourhood Team in taking firm action to champion neighbourhood needs.

Residents in De Hoogte tended to offload the work involved in implementing proposals to the professionals (also see Incongruity 1). This is illustrated by a telling example involving a proposal to place a work of art on a roundabout in the area. Residents supported this proposal during one of the Neighbourhood Voting Days. It was clear from the start that the plan needed city-level traffic and spatial planning approval. Some local authority officers who were part of the Neighbourhood Team took over the residents' responsibility to obtain the necessary permits. An officer working for De Huismeesters regarded this as an example of pampering residents. In his view, professionals should deliver support but not take over the responsibilities of residents.

In comparison to statements about the Neighbourhood Team in De Hoogte, the Lozells actors interviewed report more positive experiences with the Neighbourhood Manager. In Lozells, the neighbourhood manager was applauded for her intermediary role. A ward councillor stated in 2011: 'Neighbourhood management was probably one of the best things that has happened to this area for a long time. Neighbourhood management did simple things: bringing people together, stopping duplication of work and enhancing partnership working'. Referring to the neighbourhood manager, a community volunteer commented in 2011: 'she saw the need to build bridges between organisations and resident groups … In terms of having an influence, it was the best structure, but now they've abandoned that'.

§ 8.4.4   **Incongruity 4: Functional hierarchies *versus* social inequalities**

The lifeworld of residents has no formal hierarchical relationships, but it is certainly not an egalitarian community. There are social inequalities and the influence of some is greater than others (Van den Brink et al., 2012, p. 57).

Residents in the Neighbourhood Team in De Hoogte were expected to 'represent their neighbourhood' and 'to make trade-offs for the entire neighbourhood'. From a lifeworld perspective, this is a rather awkward position. The residents were self-nominated: there was no formal or informal mandate from the local community underlying their position in the Neighbourhood Team. Unlike the Netherlands, England has a form of neighbourhood-level representative democracy: councillors are elected for small areas called 'wards'. Local ward councillors were part of the Lozells Neighbourhood Management Board and were actively engaged in matters that affected their constituency.

Compared to community volunteers in the Netherlands, the councillors in Lozells had a much stronger mandate to speak on behalf of the local community. This mandate sometimes conflicted with participative forms of democracy [also see Chapter 3]. A community involvement officer working for Midland Heart expressed his reluctance to work with permanent resident groups in the area. He feared 'political tilt' by local politicians and referred to several events where local politicians 'highjacked' community group meetings for their own political purposes. Consequently, Midland Heart preferred to involve residents in informal and temporary settings. In De Hoogte, the opposite occurred. Residents participating in the Refurbishment Planning Group were asked by the housing association to represent the views of the wider community and to be accountable to that community. However, these residents wanted to participate on a strictly personal basis and remain anonymous, in fear of possible negative responses from other community members. This apprehensiveness of

community volunteers is not without reason. In 2011 a community volunteer noted that voicing your opinion or presenting ideas in De Hoogte is not without risk: 'The moment you do that, you stick out and you will be criticised by other residents. I have received loads of critique, but I can handle it. Two days later, I will be drinking a beer with that same person. That's also typical for De Hoogte'.

Social inequalities in De Hoogte could explain the reluctance of its residents – in comparison to Korrewegwijk – to develop project proposals for the Neighbourhood Voting Days. Actors mentioned the more open social structure and the larger number of owner-occupiers in Korrewegwijk as important factors leading to the more active participation of residents. A community support worker commented on how the rather closed social networks in De Hoogte influenced the outcomes of the voting process: 'Good proposals will not be accepted if you do not have good connections in the neighbourhood'. This was echoed in a statement by a community volunteer: 'De Hoogte is a close-knit community. People have to get to know you, otherwise you will not be accepted in the community'.

§ 8.4.5   **Incongruity 5: Functional relations *versus* personal relations**

In the lifeworld, human qualities take central stage. Factors such as social background, age, gender and religious beliefs are all relevant in the lifeworld. The impersonal formal system-world responsibilities of salaried staff members are of secondary importance (Van den Brink et al., 2012, p. 58).

Agencies such as housing associations tend to underestimate the importance of personal relationships between practitioners and the local community. Small acts can have huge impacts. A Lozells community activist described an incident in 2009, when a Midland Heart officer apologised at the last minute for not attending a community meeting and sent a trainee as a replacement. This felt like 'a kick in the teeth' and led the activist to conclude that 'they don't have regard for us, they think we're stupid'. In a similar vein, several residents in De Hoogte terminated their participation in the Refurbishment Planning Group after De Huismeesters failed to inform them about a change in the venue of the meeting. This incident was the 'straw that broke the camel's back', after previous incidents gave community volunteers the impression that their views were not taken seriously.

On a more positive note, other developments indicate the evolution of stronger personal relationships between practitioners and community members around 2010. In interviews, actors in both case study areas started referring to new neighbourhood professionals taking up posts. More specifically, they spoke of a community

involvement officer working for Midland Heart and a community support officer working for a third sector organisation in De Hoogte. Interviewees reported a new dynamic generated by these new professionals. Previously, the actors had usually referred to projects, not to the personal commitment of professionals. The difference was that these new practitioners were no longer focused on delivering specific agency-led projects but on giving support to community-led activities. A community involvement officer working in Lozells stated: 'This new way of working generates a lot of energy. Now real relationships are built with residents'.

Gender, age and religion played a prominent role in the design of resident participation in Lozells. It is very likely that this approach was influenced by the high proportion of ethnic minority residents (around 90%) in the area. As part of the public consultation on the Lozells Masterplan in 2008/2009, Midland Heart and the Birmingham City Council organised various meetings aimed at specific groups. For example, they had a women's-only breakfast meeting for mothers with a Bangladeshi background at their children's school, a meeting for local shopkeepers, events for young people and for older residents. There were also meetings in a Catholic church, a Methodist church, a Somali community centre and events after prayers in two different mosques, one Pakistani-led the other Bangladeshi.

In contrast, this research did not find meetings in De Hoogte that were designed to address specific cultural needs. When presented with examples from Lozells, several Dutch interviewees did not regard them as feasible in the Dutch context. Compared to Lozells, the proportion of residents with an ethnic minority background in De Hoogte remains relatively low (20% in 2011), and the need to include cultural and religious concerns in designing resident participation may not be that urgent.

§ 8.4.6 **Incongruity 6: Rational power resources *versus* values and emotions**

The lifeworld is less focused on rational business considerations. More important are personal ambitions and values. In addition, rational arguments, stories, feelings, ideals, experiences and passions are also relevant (Van den Brink et al., 2012, p. 58).

The termination of national regeneration programmes [see § 8.3.2] appears to have caused a paradigm shift among community volunteers and neighbourhood practitioners. Although one would expect local actors to lament the loss of resources, this was hardly the case. A former Lozells neighbourhood manager stated: 'It is really, really so interesting how quickly things have changed after the money disappeared and how that dramatically alters your perspective'. A Lozells community activist found the disappearance of funding 'liberating'. It forced people to become creative

with resources. It forced agencies to set priorities and increase their focus on what communities wanted. A Midland Heart community officer described the post-austerity era in 2011 as a 'new dawn', 'staff was no longer given a project, but briefed to see what was happening on the ground and find the places to plug in and give support'.

This response to the funding cuts must be interpreted in the context of scepticism among residents and practitioners about the capacity of agency-led initiatives to transform resources into results relevant to local communities. A Midland Heart community involvement officer commented in 2011: 'There has been lots of regeneration money, but none of it has been grass roots. These organisations had money swilling … but unfortunately the capacity of the people involved didn't tally with the amount of money that ran through their accounts'. In a similar vein, a ward councillor stated that same year: 'Urban Living and all the other regeneration agencies have invested millions into this area. Where's all that money gone, what legacy has it left behind?' A community activist did see a legacy of the regeneration investments: 'A lot of that actually did help to build a sense of identity'. This is also reflected in a comment made by another community volunteer in 2011: 'One of the biggest legacies is "friendships". I know it sounds very woolly, it's relationships, it's the connections, it's the network … now we sort of know how to get problems sorted'.

A community officer described how Midland Heart had to find a new ground of legitimacy for their involvement in neighbourhood activities: 'In a way we had to prove our worth from scratch, but implementing ideas that benefit the neighbourhood does not necessarily involve large amounts of money. Projects are not driven by money … they are powered by passion'.

Between 2007 and 2011, in both case study areas, housing associations and local authority professionals were largely preoccupied with the allocation of funding, the coordination of regeneration projects and attempts (especially in Lozells) to acquire additional regeneration resources. Rational arguments and the need to coordinate and manage activities prevailed during that period. The focus of the professionals was not particularly on the needs of the local people, but on projects, procedures and collaboration with other professionals. The reduction in resources resulted in fewer actors and projects, and simplified structures.

Conclusion

What is required for the Participation Society to succeed? This chapter contributed to answering that question by exploring co-production arenas that include agencies and residents who aim to solve neighbourhood problems. This research included a secondary analysis of qualitative case study data on decision-making interactions in two vulnerable neighbourhoods: De Hoogte in Groningen (the Netherlands) and Lozells in Birmingham (the UK). This data was analysed using a governance network framework (Koppenjan and Klijn, 2004), supplemented by elements of Habermas's theory of communicative action, notably his system and lifeworld concepts (Habermas, 1987; Van den Brink et al., 2012). This exploration was experimental in nature, and the findings lend themselves to tentative and cautious conclusions. These conclusions are divided along two lines. The first concerns the theoretical and methodological implications of this research, the second focuses on practical implications.

Theoretical and methodological implications

By connecting governance network concepts with Habermas's theory of communicative action we wanted to construct a framework that increased the explanatory power of co-production interactions between professionals and citizens and to understand interactions not only from the perspective of organisations but also from the viewpoint of residents.

The research confirmed the incongruities between system and lifeworld, as formulated by Van den Brink et al. (2012). The application of the network governance concept highlighted that the logics of system and lifeworld are found in very different decision-making arenas (such as neighbourhood teams, public consultation events and board meetings), which possibly require different solutions to reconcile the divergent logics.

The connections between the 'incongruities' defined by Van den Brink et al. (2012) and the case study data are not seamless. There are some overlaps, and sometimes the case study examples did not fully match the incongruity labels. Further development and study of these incongruities is required to give them more depth and make them less ambiguous.

The notion of co-production between citizens and professionals amplifies the need for the further theoretical and methodological development of research frameworks that combine network governance concepts with the communicative action perspective. This research deductively applied key statements on incongruities by Van den Brink et al. (2012), looking for supporting evidence from interview transcripts. An alternative approach would be to inductively develop a framework and investigate co-production

interactions to explore the rules and logics used by professionals and residents. This could result in conclusions that are different to or do not confirm the findings in this chapter. This would require research methodologies that empirically examine interactions 'up close and personal' from the perspectives of the actors involved, such as anthropological approaches.

Practical implications

This research found strong indications to support the premise that a system logic 'colonises' the lifeworld (see Mensink, 2015). While the term 'colonises' has a malicious connotation, this research found that even with the best intentions neighbourhood professionals tended to apply system logic in their attempt to support residents in taking a stronger role in neighbourhood regeneration. Often with the best intentions, professionals took over the responsibilities of residents. This research was not designed to explain why neighbourhood professionals did this, but the results do allow for the formulation of some tentative hypotheses. First, professionals are trained and disciplined to work according to system logic. Therefore, it may not be part of their mind-set to use any other logic. Second, practitioners often work with tight time frames and professional standards, set by themselves or other system agencies. Professionals may take the initiative in the assumption that they can produce results faster and in compliance with their professional standards. Third, professionals want to protect residents from bureaucratic complexity and the red tape that is involved in neighbourhood regeneration initiatives.

Tonkens (2014b) highlighted several misconceptions about the Participation Society agenda, notably that it adequately replaces the welfare state and that it is easy for professionals and residents to adapt to their new roles. This chapter supports Tonkens's contention that this is not the case. The success of the Participation Society to a large extent depends on the ability of organisations, professionals and residents to communicate and collaborate. Developing these capabilities can be regarded as a form of 'craftsmanship', as described by Richard Sennett (2009). Citizenship is a craft, and reliable and responsive institutions and professionals are needed to support and nurture its development with patience and persistence, while accepting the unruly nature of the subject.

Given the results presented in this chapter, the optimism surrounding the implementation of the Participation Society agenda is rather unsettling. The examination of the case study data highlighted the widespread lack of knowledge about the divergent logics at play and, consequently, the lack of awareness of the craftsmanship needed to overcome the incongruities between system and lifeworld.

There is an urgent need to start developing this craftsmanship in order to resolve these incongruities and prevent the Participation Society from failing, and to prevent vulnerable people and neighbourhoods from falling into the abyss created by government cutbacks and austerity. In relation to co-production in neighbourhood regeneration in particular, this requires a form of 'place leadership' by residents and professionals which can build networks that champion vulnerable places [see Chapter 7].

References

Association of Dutch Municipalities. (2013). *Drie decentralisaties* [Three decentralisations]. Den Haag: VNG.

Audit Commission. (2011). *Housing Market Renewal, Housing, Programme Review*. London: Audit Commission.

Bailey, N., & Phil. M. (2011). The continuing popularity of the neighbourhood and neighbourhood governance in the transition from the `big state' to the `big society' paradigm. *Environment and Planning C: Government and Policy, 29*, 927 - 942

Birmingham City Council. (2011). *Neighbourhood Management. Report from the Local Services and Community Safety Overview and Scrutiny Commission*. Birmingham: Birmingham City Council.

Birmingham City Council, Housing association Midland Heart and Urban Living Partnership. (2009). *North and South Lozells Masterplanning, Stock investment and Housing Options Assessment.* Birmingham.

Blond, Ph. (2010). *Red Tory: How Left and Right have Broken Britain and How we can Fix It.* London: Faber & Faber.

Bogason, P., & Zølner, B. (Eds.) (2007). *Methods in Democratic Network Governance.* London: Palgrave-MacMillan.

Boyle, D., & Harris, M. (2009) The Challenge of Co-Production. London: NESTA

Cameron, D. (2009). *"The Big Society."* Hugo Young Memorial Lecture, November 10. Accessed February 21, 2013.
http://www.conservatives.com/News/Speeches/2009/11/David_Cameron_The_Big_ Society.aspx

Caron, B., & Macmillan, B. (2014). *A brave new world for voluntary sector infrastructure? Vouchers, markets and demand led capacity building.* Working Paper. Third Sector Research Centre (TSRC).

Clark, B.Y., Brudney, J.L., & Jang, S.G. (2013). Coproduction of Government Services and the New Information Technology: Investigating the Distributional Biases. *Public Administration Review, 73*(5), 687–701.

Corbet, C. (2000). The Value Sieve: accountable choices among incommensurable programmes. In J. Cutt & V. Murray (Eds.), *Accountability and Effectiveness Evaluation in Non-Profit Organisations* (pp. 247-275). London: Routlegde.

Crozier, M., & Friedberg, E. (1980). *Actors and Systems. The Politics of Collective Action.* Chicago: University of Chicago Press.

De Bruijn, J.A., & Ten Heuvelhof, E.F. (1991), *Sturingsinstrumenten voor de overheid; over complexe netwerken en een tweede generatie sturingsinstrumenten* [Steering instruments for the state, on complex networks and second generation steering instruments]. Leiden: Stenfert Kroeze.

De Huismeesters. (2008 – 2013). *Jaarverslagen* [Annual reports]. Groningen: De Huismeesters.

Deuten, J., & De Kam, G. (2006). *Weten van Renderen. Nieuwe wegen om het maatschappelijk rendement van woningcorporaties zichtbaar te maken* [How to vizualize social return on investment]. Rotterdam: SEV.

Donner, P.H. (2011). Letter to parliament on "Wijkenaanpak en Vogelaarheffing" [Neighbourhood Regeneration and 'Vogelaar' Levy] DGWWI/PW 2011037374. 28 januari 2011. The Hague: Ministry of Internal Affairs and Kingdom Relations.

Dunston, R., Lee, A., Boud, D., Brodie, P. & Chiarella, M. (2009). Co-Production and Health System Reform – Re-Imagining to Re-Making. *Australian Journal of Public* Administration, 68, 39–52.Dutch Institute of Lexicology (2014). *Weg met dat woord! – de nominaties*
http://news.smart.pr/nederlands/weg-met-dat-woord-de-nominaties-2 Retrieved 9 December 2014.

Dutch Government. (2013). *Troonrede 2013* [King's Speech 2013]
http://www.rijksoverheid.nl/documenten-en-publicaties/toespraken/2013/09/17/troonrede-2013.html (Retrieved 30 March 2015. Groningen Audit Commission (2011). *Onderzoek Krachtwijken [Evaluation Empowered Neighbourhoods Program]*. Groningen: Gemeente Groningen.

Groningen Local Authority and Housing Associations. (2007). *Nieuw Lokaal Akkoord [New Local Covenant on Housing and Neighbourhoods]*. Groningen: Groningen Local Authority and Housing Associations.

Groningen Local Authority and Housing Associations. (2008). *Wijkactieplan De Hoogte [Neighbourhood Action Plan De Hoogte]*. Groningen: Groningen Local Authority and Housing Associations.

Groningen Local Authority. (2008). *Letter to City Council on Neighbourhood Teams* [date]

Habermas, J. (1987). *The Theory of Communicative Action, Vol. 2,* Cambridge: Polity Press.

Hilhorst, P., & Van der Lans, J. (2014a). Essay: Eigen Kracht ontkracht. Ik heb niemand, ik zie niemand, niemand kan me helpen [Essay: Own Power invalidated. 'I have not, I see no one, no one can help me']. *De Groene Amsterdammer*, 8 oktober 2014.

215   Will the Participation Society succeed? Lessons from neighbourhood regeneration programmes in England and the Netherlands

TOC

Hilhorst, P., & Van der Lans, J. (2014b). Essay: De dubbele revolutie van sociale wijkteams Koken voor een lening [Essay: The double revolution of social neighborhood teams Cooking for a loan]. *De Groene Amsterdammer*, 10 December 2014. Pp. 30-33

Hilhorst, P., & Van der Lans, J. (2015). Nabij is beter. Essays over de beloften van de 3 decentralisaties. [Close is Better, Essays on the promises of the 3 decentralisations] Den Haag: Kwaliteitsinstituut Nederlandse Gemeenten.

Jacobs, K., & Manzi, T. (2013). New Localism, Old Retrenchment: The "Big Society", Housing Policy and the Politics of Welfare Reform. *Housing, Theory and Society, 30(*1), 29-45.

Kickert, W., Klijn, E.H., & Koppenjan, J. (1997). *Managing complex networks: strategies for the public sector*. London: Sage.

Kisby, B. (2010). The Big Society: Power to the People? *The Political Quarterly, 81*(4), p. 484-491.

Koppenjan, J., & Klijn, E.H., (2004). *Managing uncertainties in networks: a network approach to problem solving and decision making*. London: Routledge.

Kunneman, H. (1998). *Postmoderne moraliteit* [Postmodern Morality]. Amsterdam: Boom.

Law Gazette. (2014). *Invoeringswet Participatiewet [Implementation Participation Act]*. Staatsblad Koningrijk der Nederlanden 240.

Leather, P., Nevin, B. Cole I., & Eadson W. (2012). *The Housing Market Renewal Programme in England: development, impact and legacy*. Sheffield: CRESR Sheffield Hallam University.

Mensink, W. (2015). *Systeem- en leefwereld: hoe de kloof te dichten.* [System and Lifeworld: how to close the gap] http://www.socialevraagstukken.nl. Retrieved 30 mei 2015

Movisie. (2013). *Voortgangsevaluatie sociale wijkteams in Groningen* [Progress Evaluation Social Neighbourhood teams in Groningen]. Retrieved from Movisie website: https://www.movisie.nl/publicaties/ aan-slag-sociale-wijkteams on 6 January 2014.

Mullins, D., & Murie, A. (2006). *Housing Policy in the UK*. Basingstoke: Palgrave Macmillan

Mullins, D., & Van Bortel, G. (2010). Neighbourhood regeneration and place leadership: lessons from Groningen and Birmingham. *Policy Studies Journal*, 31(4), 413-428.

Mullins, D. (2010). Housing Associations, *Working Paper 16*. Birmingham: Third Sector Research Centre.

NEF (New Economics Foundation). (2007). *Co-production. A Manifesto for growing the core economy*. London: NEF.

Onze Taal. (2013). *Participatiesamenleving' Onze Taal-woord van 2013*. https://onzetaal.nl/weblog/partici- patiesamenleving-onze-taal-woord-van-2013. Retrieved 26 December 2014

Osborne, S., Radnor, Z., & Nasi, G. (2013). A New Theory for Public Service Management? Towards a (Public) Service Dominant Approach. *American Review of Public Administration*, 43(2), 135–58.

Osborne, S. (2010a). Delivering Public Services: Time for a New Theory?. Public Management Review 12 (1): 1–10.

Osborne, S. (Ed.) (2010b). *The New Public Governance, Emerging perspectives on the theory and practice of Public Governance*. New York: Routledge.

Pestoff, V. (2014). Collective Action and the sustainability of Co-production. *Public Management Review*, *16*(3), 383–401.

Pestoff, V. (2006, 2009). Citizens as Co-Producers of Welfare Services: Preschool Services in Eight European Countries. *Public Management* Review, 8(4), 503–520; reprinted in V. Pestoff and T. Brandsen (Eds.) (2013). Co-production. The Third Sector and the Delivery of Public Services. New York: Routledge.

Pestoff, V. (2008). *A Democratic Architecture for the Welfare State: Promoting Citizen Participation, the Third Sector and Co-Production*. New York: Routledge.

Rhodes, R.A.W. (1997). *Understanding Governance: Policy Networks, Governance, Reflexivity and Accountability*. Buckingham, UK: Open University Press.

Rutte, M. (2013). *Sterke mensen, sterk land. Over het bezielend verband in de samenleving* [Empowered Citizens, Empowered Nation, On the inspiring connections in society], Willem Drees Lecture. The Hague, 14 October 2013.

Scharpf, F.W. (Ed.) (1993). *Games in hierarchies and networks: Analytical and empirical approaches to the study of governmental institutions*. Frankfurt am Main: Campus-Verlag; Boulder, CO: Westview Press.

Sieckelinck, S., Van Buuren, S., & El Madkouri, M. (2013). *Onbevoegd Gezag* [Unauthorized Authority]. Amsterdam: Uitgeverij Boom Lemma.

Sennett, R. (2009). *The Craftsman*. Yale: Yale University Press.

Sørensen, E., & Torfing, J. (Eds.) (2007). Theories of Democratic Network Governance. London: Palgrave-MacMillan.

Stienen, P. (2015) Terug naar de Donderberg. [Back to 'Donderberg'] Amsterdam: Nieuw AmsterdamTeisman, G.R. (1998). *Complexe besluitvorming, een pluricentrisch perspectief op besluitvorming over ruimtelijke investeringen* [Complex decision-making, a pluri-centric perspective on decision-making in spatial investments]. The Hague: Elsevier.

Thomas, J. (2012). Citizen, Customer, Partner: Engaging the Public in Public Management. Armonk, NY: M.E. Sharp.

Tonkens, E., & De Wilde, M. (2013). *Als meedoen pijn doet [When participation hurts]*. Amsterdam: Amsterdam Institute for Social Science Research (AISSR).

Tonkens, E. (2014a). *Participatiesamenleving inhumaan?* [Participation Society inhumane?] Socrateslezing 2 november 2014. Humanistisch Verbond.

Tonkens, E. (2014b). *Vijf misvattingen over de participatiesamenleving* [Five misconceptions on the participation society]. [Farewell Speech Evelien Tonkens, 1 May 2014]. Retrieved from www.actiefburgerschap.nl on 6 June 2015.

Van Arum, S., & Schoorl, S. (2015). *Sociale wijkteams in vogelvlucht*. [Social Neighbourhood Teams: a bird's eye view]. Utrecht: Movisie

Van Bortel, G. (2009). Network governance in action: the case of Groningen; complex decision-making in urban regeneration. *Journal of Housing and the Built Environment, 24*, 167-183.

Van Bortel, G., & Elsinga, M. (2007). A network perspective on the organization of social housing in the Netherlands: the case of urban renewal in The Hague. *Housing, Theory and Society, 24(1)*, 32-48.

Van Bortel, G. (2015). *Networks and Fault lines. Understanding the role of housing associations in neighbourhood regeneration: a network governance perspective* [PhD-thesis, forthcoming]. Delft: Delft University of Technology.

Van der Horst, A. (2013). Big Society inspireert Rutte, maar werkt het? *Dagblad Trouw,* 20 september 2013. Retrieved on 10 January 2015 from http://www.trouw.nl/tr/nl/5009/Archief/archief/article/detail/3512903/2013/09/20/Big-Society-inspireert-Rutte-maar-werkt-het.dhtml

Van den Brink, G., Van Hulst, M., De Graaf, J., & Van der Pennen, T. (2012). *Best persons, en hun betekenis voor de Nederlandse achterstandswijk,* [Best Persons and there meaning for Dutch disadvantaged neighbourhoods]. Uitgeverij Boom Lemma. Also see: www.bestpersons.eu/

Van der Lans, J. (2012). *Loslaten, Vertrouwen en Verbinden, over Burgers en Binding [Release, Trust and Connect, on Citizens and Cohesion]*. Amsterdam: Stichting Doen.

Van der Pennen, T., & Van Bortel, G. (2013). Exemplary Urban Practitioners, Getting things done in disadvantaged urban areas. Paper written for the ENHR 2013 conference in Tarragona, Spain

Van Gent, W.P.C. (2009). *Realistic Regeneration; Housing Contexts and Social Outcomes of Neighbourhood Interventions in Western European Cities*. [PhD Thesis]. Amsterdam: Faculty of Social and Behavioural Sciences, University of Amsterdam.

Van Gent, W., Musterd, S., & Ostendorf, W. (2009). Bridging the social divide? Reflections on current Dutch neighbourhood policy. *Journal Housing and the Built Environment, 24*, 357–368.

Van Hulst, M., De Graaf, L., & Van den Brink, G. (2012). The work of exemplary practitioners in neighborhood governance. *Critical Policy Studies, 6*(4), 434-451.

Van Hulst, M., De Graaf, L., & Van den Brink G. (2011). Exemplary practitioners: A review of actors who make a difference in governing. *American Economic Review*, *33*(1), 120-142.

Verhoeven, I., & Tonkens, E. (2013). Talking Active Citizenship: Framing Welfare State Reform in England and the Netherlands. *Social Policy and Society, 12*(3), 415-426.

Voorberg, W., Bekkers, V. & Tummers, L. (2014). A Systematic Review of Co-Creation and Co-Production: Embarking on the social innovation journey. *Public Management Review, DOI: 10.1080/14719037.2014.930505*

Webb, D, (2010). Rethinking the Role of Markets in Urban Renewal: The Housing Market Renewal Initiative in England. *Housing, Theory and Society, 27*(4), 313–331.

Weber, M. (1922/1992). *Grundriss der Sozialökonomik*. Tubingen: Verlag J. Mohr.

Weick, K.E. (1969/1979). *The Social Psychology of Organizing*. New York NY: Random House.

Wilson, W. (2013). *Housing Market Renewal Pathfinders*. London: House of Commons Library.

WWI (Ministry of Housing, Neighbourhoods and Integration). (2007). *Actieplan Krachtwijken* [Action plan Empowered Neighbourhoods]. Den Haag: WWI.

WRR (Scientific Council for Government Policy). (1992). *Eigentijds burgerschap* [Present-day Citizenship]. Den Haag: SDU.

WRR (Scientific Council for Government Policy). (2005). *Vertrouwen in de Buurt* [Confidence in the Neighbourhood]. Den Haag: SDU.

WRR (Scientific Council for Government Policy). (2012). *Vertrouwen in de Burger* [Confidence in the Citizen]. Den Haag: SDU.

217   Will the Participation Society succeed? Lessons from neighbourhood regeneration programmes in England and the Netherlands

TOC

9 Conclusions

§ 9.1 Introduction

This thesis explored the role of non-profit housing associations in neighbourhood regeneration governance in the Netherlands and England. This concluding chapter starts by synthesising the answers to the research questions presented in Chapter 1 and explored throughout this thesis [§ 9.2 to § 9.6]. This synthesis is guided by the conceptual research framework [see Figure 9.1], which consists of five components (context, network, actors, process and outcome), each elaborated in a research question. Section 9.7 reflects on the added value and challenges of the governance network theory perspective, the system/lifeworld concepts and the research methodology. The chapter concludes [§ 9.8] with a reflection on the future role of housing associations in neighbourhood regeneration governance and a final cautionary tale for housing associations.

To address the research questions, this chapter contains some new empirical data not presented in previous chapters, most of which was included in conference papers (Rhodes and Van Bortel, 2007; Van Bortel, 2011; Van Bortel, 2014) that have not yet been developed into full journal articles.
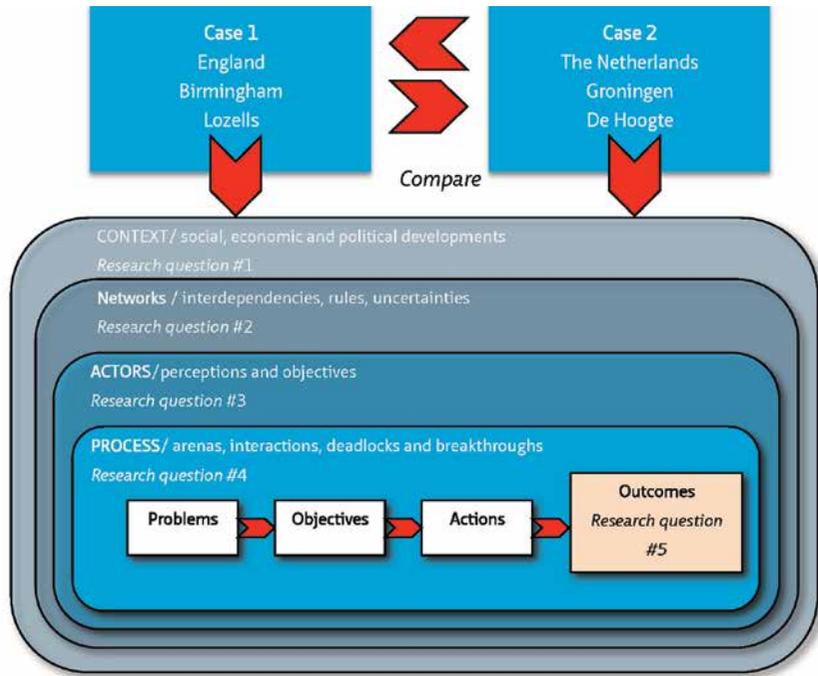
FIGURE 9.1 Conceptual framework

§ 9.2   **Context**

How have contextual factors such as economic, social and political developments
affected the role of housing associations in neighbourhood regeneration decision-
making processes?

§ 9.2.1   **Context: main conclusion**

Contextual developments had a significant impact on the role of housing associations
in neighbourhood regeneration decision-making and delivery, and these varied across
the two cases. The housing association in the Dutch case proved more resilient to

contextual developments than its English counterpart. National government funding was less important for the Dutch housing association: they already had access to considerable neighbourhood regeneration resources. The research took place during a period (2007-2014) of unexpectedly dynamic economic, social and political developments that significantly affected neighbourhood regeneration decision-making in the case study areas. The housing market downturn and the rapid and sudden government cutbacks to neighbourhood regeneration schemes profoundly affected the role played by housing associations in the case study areas, albeit in different ways. This confirms the value of the longitudinal approach of this thesis.

Other contextual factors, such as the characteristics of the two countries' national housing systems and their political economy, indirectly affected the role played by housing associations, and directly affected regulation and finance.

These factors influenced the characteristics of the governance networks and subsequent policy games within these networks. They will be discussed in more detail in Section 8.3 (Network).

§ 9.2.2 Context: De Hoogte, Groningen

In De Hoogte, housing association De Huismeesters demonstrated high levels of robustness in delivering its housing refurbishment and construction investment programme within a context characterised by a housing market downturn and government austerity measures. The government resources channelled into the area through the Empowered Neighbourhoods Programme (Ministry of Housing, Neighbourhoods and Integration, 2007) were highly useful, but not essential to the realisation of housing association regeneration activities.

After De Hoogte gained the status of a priority area in 2007, De Huismeesters received unanticipated financial compensation for its €45 million investment in the refurbishment of part of its housing stock in the area. However, the organisation had already planned to deliver these investments before the area gained its priority status, and had already secured the necessary funding through government guaranteed loans. The organisation used this compensation to increase its contribution to social and economic community investment in the area. The housing market downturn did not significantly affect the plans of De Huismeesters. Revenues from housing sales in the area were needed to support the regeneration investments but the moderately priced refurbished owner-occupancy properties sold rather quickly even in the downbeat housing market of the time.

Despite the economic crisis, the housing market downturn and the withdrawal of the national government from neighbourhood regeneration programmes, De Huismeesters was able to realise its ambition to refurbish 500 properties, build a considerable number of new homes, contribute to community investments and improve a local community centre. The termination of the Empowered Neighbourhoods Programme did not seriously impede these ambitions because the organisation already had the investment resources.

§ 9.2.3   **Context: Lozells, Birmingham**

Very different findings emerged from the Birmingham case. Housing association Midland Heart was able to realise only a small part of its regeneration ambition to produce a more varied and better quality housing stock in Lozells. Financial resources from the Urban Living Housing Market Renewal Pathfinder sponsored by the national government were essential to the funding of Midland Heart's local regeneration activities [also see § 9.2.4 Outcomes].

An important element of Midland Heart's regeneration plans for Lozells was the refurbishment and 'deconversion' of Victorian era properties into large owner-occupancy homes for more affluent families. In the 1970s, these semi-detached terraces were converted into apartments that primarily attracted young, single and transient tenants. To make the initial refurbishments and deconversions financially feasible, subsidies from the Housing Market Renewal programme were needed. Revenues from the sale of the properties were also needed as leverage to acquire and deconvert additional properties. Partly as a result of the housing market downturn, the properties in Lozells could not be sold and were transformed into rental housing. This was very probably also caused by the miscalculation of the level of demand from large ethnic minority households to buy these properties in Lozells [also see § 9.5 Process]. The refurbishment programme in De Hoogte was also dependent on revenues from housing sales, but the properties for sale were targeted at a lower market segment and sold quite easily.

The termination of the Housing Market Renewal programme and the reduction in affordable housing grants as a result of the 2010 Comprehensive Spending Review, delivered an additional substantial blow to Midland Heart's deconversion programme in Lozells. While regeneration activities in Lozells were directly affected by the budget cuts, there was an additional indirect impact. The Comprehensive Spending Review also included large budget reductions for local authorities. The Birmingham City

Council was hit particularly hard by the budget cuts[22] and had to reduce staff in large numbers, including staff involved in neighbourhood regeneration. Neighbourhood Management resources were terminated and all of the neighbourhood managers in Birmingham lost their positions. In Lozells, these neighbourhood managers had contributed greatly to improving collaboration between housing association professionals, Birmingham City Council officers and representatives of the Lozells Community.

§ 9.2.4 **Context: similarities and differences**

At the start of the fieldwork period in 2007, the national governments in both countries were actively engaged in neighbourhood regeneration programmes. Both governments prematurely ended these programmes in 2011[23] in response to the global financial crisis and various national policy drivers. However, the end of government funding did not bring about the end of the housing associations' involvement in the regeneration of De Hoogte and Lozells. Rather, these external setbacks revealed a high level of commitment, flexibility and tenacity on the part of housing associations in both case study areas, and a higher level of resilience to contextual developments in the Dutch case.

Dutch housing associations do not depend on government subsidies for investments in new housing construction or neighbourhood regeneration. In Groningen, the government's austerity measures did reduce the resources available for regeneration activities, but did not affect the organisations in the network in terms of staff numbers. In England, budget cuts were more severe, and organisations in the network were more dependent on these resources. This not only reduced the regeneration resources available, but also affected the organisations included in the regeneration network through significant frontline staff reductions (i.e. neighbourhood managers), and in some cases, entire organisations (i.e. the Urban Living Housing Market Renewal Pathfinder organisation). The housing market downturn also affected the development departments of many Dutch housing associations, as projects were put on hold or terminated. The impact on De Huismeesters was limited. Their project development portfolio and development staff numbers were already limited and not severely affected by the crisis.

---

22   Other developments also contributed to the need for Birmingham City Council, the largest local authority in England, to implement drastic budget reductions and reduce staff. In 2010-2011, Birmingham had to deal with a huge legal settlement over equal pay, estimated at £1.1 bn. http://www.theguardian.com/money/2014/apr/11/equal-pay-women-birmingham-city-council (Accessed 14 August 2014)

23   The Housing Market Renewal Pathfinder programme in England and the Empowered Neighbourhoods Programme in the Netherlands.

In contrast, the combination of the housing market downturn and the termination of regeneration funding proved 'lethal' for the refurbishment and deconversion programme in Lozells. This was very probably also caused by overly optimistic expectations of local community demand for, and the ability to afford, the deconverted properties [also see § 9.5 Process]. The asking price for these rather sizeable properties was largely unaffordable to the prospective target group (i.e. extended family with an ethnic minority background). In contrast, the feasibility of the refurbishment programme in De Hoogte was not highly dependent on government subsidies. The programme did depend in part on revenues from housing sales, but the properties were targeted at a lower market segment and sold quite easily.

The termination of the regeneration programmes in 2011 in both countries was accompanied by a national government discourse that signified a profoundly altered perspective on the role of the state in neighbourhood regeneration (Donner, 2011). Within this discourse, top-down government interventions were framed as a phenomenon of a bygone era. While neighbourhood renewal was now primarily seen as a responsibility of local government, emphasis was also placed on the need to make greater use of the talents and resources of residents (Heijkers, Van der Velde and Wassenberg, 2012; KEI and Nicis Institute, 2012; Mullins, 2012) and to enable local communities to take a more active role.

The UK conservative government introduced its Big Society concept in 2010 (Cabinet Office, 2010) and implemented this – in part – through the Localism Act (see Mullins, 2012; Jacobs and Manzi, 2013; and Travers, 2012 for a discussion of the impact of the Localism Act on social housing and vulnerable neighbourhoods). The Dutch government used a similar 'Participation Society' discourse to justify the termination of its Empowered Neighbourhoods Programme (Donner, 2011), but has been slow in matching this with an adequate policy framework. In 2013, the Dutch government officially coined the term 'Participatiesamenleving' ('Participation Society'), first used in September in the traditional King's Speech (the 'Troonrede'),[24] highlighting the government's new vision of the more active involvement of citizens in supporting vulnerable people and places. However, no government policies have as yet been introduced in the Netherlands (and very few in England, but see for example Community Based Budgets, Be Birmingham, 2011) to support residents in taking a more active role in improving their neighbourhoods.

---

24   http://nos.nl/artikel/552167-de-volledige-troonrede.html (Dutch language, accessed 14 August 2014).

§ 9.3 Network

Research Question 2

What are the characteristics of the neighbourhood regeneration networks in which housing associations participate?

§ 9.3.1 Network: main conclusion

This study demonstrated that neighbourhood renewal decision-making takes place through interactions in a complex network setting. Pluriformity, interdependencies and the closed nature of certain network dynamics generated high levels of substantive, strategic and institutional uncertainties [see for example Chapter 6]. However, the research also found substantial cross-national differences and indications that network characteristics can change and fluctuate over time. These differences are discussed in more detail below.

§ 9.3.2 Network: De Hoogte, Groningen

De Hoogte has a strong, well-developed and resilient collaborative regeneration network, with housing associations and various local authority departments the most prominent actors. This neighbourhood-level network was strongly connected to the city-wide regeneration network that included all five Groningen-based housing associations. This network has gradually evolved since housing associations and the local authority started collaborating on a more equal footing in the mid 1990s, when housing associations gained more financial and operational autonomy. Previously, the Groningen local authority had a more dominant position in the network. Mutually agreed upon interaction rules and regeneration goals are included in formal agreements that are updated every four years.

In Groningen, it was found that all neighbourhood regeneration policymaking and implementation activities were coordinated through an elaborate collaborative network. This structure included city-level and neighbourhood-level arenas. It encompassed a city-level executive board, neighbourhood-level teams and a steering group that functioned as a linking pin between these levels. A small team funded jointly by the housing associations and the Groningen local authority coordinated the activities of the network.

Many community investment resources in Groningen were pooled, with the regeneration network coordinating their allocation. The collaboration between housing associations and the local authority was publicised explicitly under one unified catchphrase 'Mensen maken Stad!' ('People make the city'), with a joint website and communication strategy and design.[25] However, not all decisions regarding neighbourhood regeneration were taken within the network. De Huismeesters maintained control over its refurbishment and new housing construction investments, while Groningen City Council regulated the funding of many third sector agencies that offered support to individuals and communities.

Chapter 7 described how the 'place-shaping' agenda led to increased inter-disciplinary cross-boundary work between agencies in Groningen. This resulted in a shift from regeneration as a predominantly 'bricks-and-mortar' operation to a more balanced approach that included social and economic aspects. However, merging the physical with the social and economic community investment domain led to increased network complexity and more profound substantive, strategic and institutional uncertainties. This complexity was further intensified in 2007, when the national government selected De Hoogte as one of the 40 priority areas for its Empowered Neighbourhoods Programme. Existing governance arrangements, notably a collaboration to the deliver goals included in the 'New Local Area Agreement' ('Nieuw Lokaal Akkoord'), were adapted to align with the national policy framework. New actors, goals and projects were introduced, causing considerable destabilisation of the existing local network. It took network actors considerable time to deal with this complexity.

§ 9.3.3   Network: Lozells, Birmingham

Lozells did not have a well-developed regeneration network, but did have a loosely connected 'partnership' between housing association Midland Heart, Birmingham City Council and Urban Living, the Housing Market Renewal Pathfinder. This partnership consisted of a steering group and several working groups which aimed to develop a master plan for Lozells. It was a temporary collaborative structure focused on developing a plan that could be used in a bid for regeneration grant funding from the national Homes and Community Agency (HCA). The strong focus of the local network on attracting funding was illustrated by the fact that for a period of time, two different regeneration plans were being developed for Lozells: a plan for North Lozells led by Midland Heart and a plan for South Lozells led by Birmingham City Council. The residents interviewed regarded this division as rather superficial and inadequate

---

25   www.mensenmakenstad.nl (Dutch language, accessed 15 August 2014).

as the local community did not use the terms 'North' and 'South' to refer to their neighbourhood. The plans were integrated only after the HCA indicated that the initial 'North' and 'South' Lozells regeneration plans would be unlikely to receive funding if submitted separately. This highlights the 'externally mandated' character of the network and the still strong influence of national government agencies (Muir and Mullins, 2015).

In Lozells, the physical and social elements of neighbourhood regeneration were elaborated within different plans. 'Bricks-and-mortar' investments were set out in the Lozells Masterplan and the social/economic actions were to be found in the Neighbourhood Management Plan. While the two plans referred to each other, they were not combined financially, nor were they integrated into a single regeneration delivery 'vehicle'. No resources were pooled and all decision-making powers remained within the individual organisations.

In addition to the Lozells Masterplan Partnership, there were various established arenas of communication in Lozells wherein housing associations discussed housing management issues with other social housing landlords and local authority officers. More strategic housing and neighbourhood issues were discussed by CEOs of housing associations and high-level Birmingham City Council officials and Cabinet members. However, these arenas did not form an integrated network, but rather a fragmented and disjointed myriad of policy spheres.

The circumstances revealed in the Birmingham case do not appear to be favourable for developing collaborative networks. The autonomy of actors is limited by their dependence on national government resources. The sheer scale of Birmingham also impeded network development. With 1.2 million residents, Birmingham is the largest local authority in England. More than 40 housing associations are active in the city. These factors constituted significant challenges to the development of strong city-wide regeneration networks. Due to the lack of strong collaborative structures and mutual goals and rules, the partnerships established can be regarded as rather weak and shallow forms of networks. The weakness of these network connections could be related to the influence of the central government on local networks. In this respect, the case study relates to other studies that suggest that externally controlled/mandated partnerships may be unlikely to develop into mature collaborative networks because they are driven by the agendas of external funders (in this case government) and they lack strong internal cohesive drivers such as trust and reciprocity (Muir and Mullins, 2015; Rees, Mullins and Bovaird, 2012, p. 24).

The research findings also support remarks made by Klijn and Koppenjan (2012) about the potential for hybrid coordination mechanisms to destabilise governance networks because of the continuing proliferation of New Public Management arrangements aimed at efficiency and transparency. These values are not necessarily compatible with

network governance-like provisions enhancing interaction and commitment (Klijn and Koppenjan, 2012, p. 600). The competitive bidding procedures embedded in New Public Management approaches make actors more focused on the expectations of the funding bodies (e.g. Urban Living, Homes and Communities Agency or the Department of Communities and Local Government) rather than on building a mutual vision and creating goals that are shared by all of the actors involved.

§ 9.3.4   Network: similarities and differences

Because the case studies were located in divergent national contexts, this research expected to find cross-national differences in governance networks. Housing associations in England work within a predominantly Liberal Market Economy while Dutch housing associations operate in a Collaborative Market Economy. To structure a network comparison in the case study areas, this research used Keast and Brown's (2009) distinction between *cooperative*, *coordinative* and *collaborative* networks [see Chapter 1 for a more in-depth discussion of context and network typologies]. As a consequence of the Dutch Collaborative Market Economy, this study expected to find more collaborative network characteristics in Groningen and to encounter more competitive or self-serving relationships between actors in the Birmingham regeneration network, consistent with Keast and Brown's cooperative/coordinative network typologies. While the fieldwork results support this hypothesis, this study also found that network characteristics can change and fluctuate due to external and internal influences.

The research findings indicate that the main explanation for the different network typologies found in the case studies is related to differences in the availability of financial and other resources. In De Hoogte, most neighbourhood regeneration resources were already part of the local network; in other words, they were already embodied in the investment capacity of the housing association. The resources from the national government's Empowered Neighbourhoods Programme were welcome but not essential. This relative independence from external resources contributed to strong and stable network relationships in a *collaborative* network with dense interdependent relationships and goals. While the focus in the De Hoogte regeneration network was predominantly on *allocating* resources, in contrast, the Lozells network – or rather, the more loosely organised partnership – aimed at *acquiring* funding through national government schemes such as the Housing Market Renewal Programme or the HCA's Affordable Homes Programme.

Network relationships between housing associations and local authorities were strengthened during the development of the Lozells Masterplan into a more *coordinative* network (focused on joint projects and joint funding and semi-dependent goals), but receded to become a more cooperative network (with limited joint actions and goals) after the termination of the Housing Market Renewal Programme [see Figure 9.2].
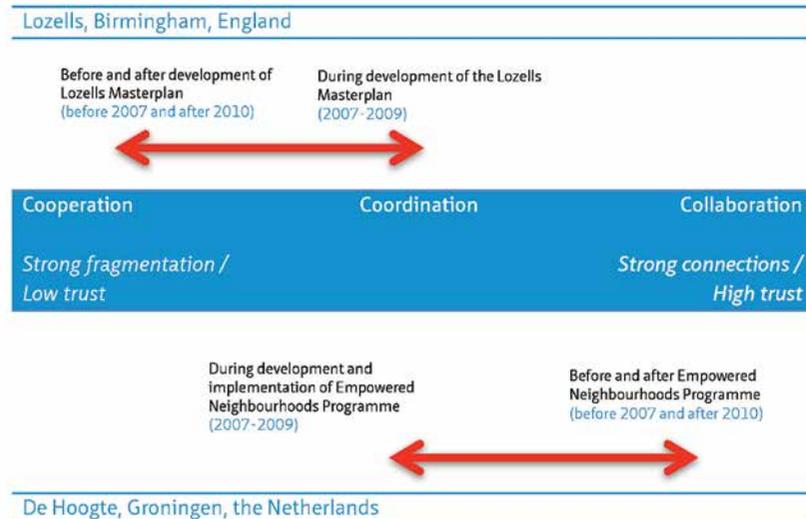

FIGURE 9.2 Evolution of network typologies in Groningen and Birmingham during the fieldwork period (2007-2014) (concept based on Keast & Brown, 2009)

Despite the strong network relationships in Groningen, the 2007 introduction of the Empowered Neighbourhoods Programme constituted a disruption to well-established local network collaborations. The Empowered Neighbourhoods Programme introduced new network actors and new projects. This temporarily changed the typology of the Groningen network from *collaborative* to *coordinative*, with lower levels of trust between actors, especially between the 'incoming' and the 'incumbent' network actors (Rees, Mullins and Bovaird, 2012, p. 24). The focus shifted away from stable collaboration based on regularly updated Local Area Agreements linked to long-term regeneration goals, and towards the implementation and coordination of a myriad of short to medium-term projects included in the hastily drafted 2007 Neighbourhood Action Plan for De Hoogte. As concluded in Chapter 8, the resources made available through the national Empowered Neighbourhoods Programme also triggered actors to put forward plans and projects that primarily served the objectives of the individual organisations.

§ 9.4 Actors

What are the perceptions and objectives of the housing associations and other key actors concerning neighbourhood renewal investments and activities?

§ 9.4.1 Actors: main conclusion

The housing associations in both case study areas took a prominent role in regeneration activities and closely collaborated with local authority departments in drafting regeneration plans for their areas. The housing associations regarded improving the quality and variety of the local housing stock as an important element in creating a more mixed community and attracting or retaining more affluent households. The local authorities supported this predominantly long-term ambition. Residents were more concerned with short-term liveability issues, such as anti-social behaviour, crime and litter.

During the fieldwork period for this research the role of the housing associations changed in both case study areas, from a leading role in the regeneration process (in conjunction with the local authority) to more of a facilitating and supporting role. This appears to have been brought about by two related factors: a serious decline in available resources, and an increased emphasis in policymaking on the responsibilities of individual residents and local communities.

§ 9.4.2 Actors: De Hoogte, Groningen

De Huismeesters took an important role in the development of the 2007 Neighbourhood Action Plan and frequently represented the Groningen regeneration network in communications with the national government within the nationwide Empowered Neighbourhood Programme. In the regeneration of De Hoogte, De Huismeesters and the local authority operated externally as one unified actor.

This study showed that De Huismeesters had a clear stake in the quality of life in De Hoogte. More than 20% of its housing stock (around 1,600 properties) was located in

the area (De Huismeesters, 2009). Previous regeneration activities in the late 1970s and early 1990s had improved part of the housing stock but had not significantly improved the local housing market or the socioeconomic position of its residents. The turnover rate in the area was high. Anti-social behaviour and drug-related crime also constituted a heavy burden on housing management activities in the area. The organisation regarded it as paramount to closely monitor developments in the area and, through intensive housing management, prevent further decline. To achieve this, the organisation wanted to excel in property management and to increase their proficiency in identifying and solving, above all, social problems, through greater involvement in community investment and social support programmes.

To prevent further decline, De Huismeesters wanted to refurbish the 500 oldest properties in the area, and to merge and sell some of the duplex properties to create larger homes for owner occupancy. This would create a more mixed housing stock and hopefully attract or retain more affluent households. It was never the objective of De Huismeesters to start a high-profile neighbourhood regeneration operation in the area. When the national government selected De Hoogte as one of the 40 priority areas for its Empowered Neighbourhoods Programme in 2007, De Huismeesters rather reluctantly agreed, but in the expectation that additional resources could contribute to increased social, economic and bricks-and-mortar investments in the local community and its residents (Van Bortel, 2011). The organisation did not anticipate the complexity that would arise from this priority status, as described in the section on *Network* above and *Process* below.

After the conclusion of the refurbishment project in De Hoogte and the termination of the Empowered Neighbourhoods Programme in 2011, De Huismeesters returned to its initial role in De Hoogte: adopting a strong focus on adequate property management, and identifying and solving social problems in collaboration with other actors. De Huismeesters embraced this more facilitating and supportive role regarding neighbourhood regeneration. This is strongly reflected in a 2011 interview with the CEO of De Huismeesters. He stated, 'housing associations should emphasise that residents need to take their own responsibility for the quality of life in neighbourhoods. Ultimately, they have to do it themselves' (Hidding, 2011, p. 5).

§ 9.4.3 **Actors: Lozells, Birmingham**

During the study period, housing association Midland Heart profiled itself as an organisation that was 'passionate about communities'. The organisation regarded regeneration as an instrument to transform neighbourhoods into sustainable communities. One of the reasons mentioned by Midland Heart for leading the master

planning of Lozells between 2007 and 2009 was to showcase its regeneration capacity and its ability to generate and reinvest the efficiency gains arising from the merger of the two housing associations that led to its formation in 2006. The leading position of Midland Heart in the regeneration and master planning of Lozells became increasingly difficult to maintain after the national Housing Corporation was replaced with the Homes and Communities Agency (HCA). This new agency reasserted the primary role of the local authority in developing regeneration policy through its 'single conversation' mechanism (Homes and Communities Agency, 2009).

With 800 local properties, Midland Heart is the largest landlord in Lozells, owning one third of the housing stock. In a 2007 interview, a high level Midland Heart officer emphasised the commitment of its organisation to the Lozells area: 'It's our neighbourhood. If we don't do it, it's our stock that's going to get worse and our company's name going through the mud isn't it?'. However, Lozells constitutes only a small part of Midland Heart's asset base. Midland Heart owns and manages 32,000 properties in 54 local authorities across the West Midlands, which means that Lozells constitutes less than 3% of its stock. In comparison to the proportion of the housing portfolio of De Huismeesters in De Hoogte (20%), the impact of a deteriorating housing stock in Lozells appears to be less profound for Midland Heart.

The 2011 budget cuts in England led to the termination of almost all regeneration investments in Lozells. Midland Heart was one of the few regeneration organisations that remained active in the area, albeit with limited resources. Facing the profoundly altered regeneration landscape, the organisation shifted its focus from the delivery of investment-heavy 'bricks-and-mortar' regeneration projects to facilitating community activities and supporting vulnerable individuals. This entailed, for example, addressing environmental issues such as illegal dumping and littering and creating employment opportunities for young people living in the area through Midland Heart's 'Back on Track' apprenticeship programme, which aimed to provide a select group of vulnerable young people with alternatives to the gangs active in Lozells and surrounding areas (Home Office, 2014). Ironically, interviews with local actors indicate that this tactical shift resulted in a higher 'visibility' for Midland Heart in the area and better appreciation of it by local community members.

§ 9.4.4   Actors: similarities and differences

Working within different societal contexts and with a dissimilar resource base, both housing associations demonstrated high levels of tenacity and commitment to contributing to the quality of life in the case study areas. This commitment was reinforced by concerns for the future of the large number of properties that both organisations owned in these areas.

This study demonstrated that the housing associations had a strong commitment to the neighbourhoods. The wish to increase the quality of, and the demand for, their properties, was as a strong driver for the housing associations. The organisations also appeared to be driven by a more altruistic – 'noblesse oblige' – motive. They found they had to act because they could. Their organisations had the capacity to use the size of their stockholdings as well as the capacity to make a real difference in vulnerable neighbourhoods. A more critical perspective might argue that the organisations were motivated by concerns about their public image: standing by and doing nothing could have damaged their reputation.

This illustrates that housing associations in both countries can be driven by intrinsic motives, but also by external pressures. These drivers may be self-serving and sometimes even dangerous, as was demonstrated by the findings of the Dutch Parliamentary Enquiry Commission on Housing Associations (House of Representatives of the Netherlands, 2014a; 2014b). This commission investigated fraud and mismanagement cases and concluded that the often intrinsic motivation and moral compass of housing associations and their CEOs was insufficiently focused on supporting low-income households and prudently managing the organisation. Governance and regulatory frameworks provided insufficient checks and balances to restrain the leadership of these organisations. The inadequacy of supervision and governance also featured prominently in Chapter 5 of this thesis, which explored the organisation of the Dutch social housing system. Providing adequate checks and balances was also an issue in England, where the HCA strengthened its regulatory framework after the housing association, Cosmopolitan Housing Group, ran into financial difficulties in 2012 as a result of inadequate risk awareness (Altair, 2014).

A combination of external pressure and intrinsic motivation also led to housing associations in England and the Netherlands taking an active role in the place-shaping and place-leadership agendas. This greater focus on 'successful places', as an objective of policy interventions, was a prominent government policy priority around the start of the fieldwork in 2007 (see Chapter 7). The place-shaping agenda aimed to strengthen cross-boundary work between agencies by combining different policy domains, such as housing, work, education and welfare. This would enable the provision of coordinated services tailored to the needs of local communities and provide opportunities to gauge the impact of these services on the quality of life in specific areas. For both housing associations, this led to a stronger focus on the social and economic needs of residents and local communities as part of their regeneration activities. This was reflected in an increased focus on activities supporting individual households, which supplemented regular landlord activities. Midland Heart established an apprenticeship programme to support young people. On a smaller scale, De Huismeesters also provided training programmes in conjunction with regeneration activities, but these programmes were not specifically designed to attract residents from De Hoogte.

Chapter 4 discussed the trend towards mergers and an increased organisational scale in the Dutch and English social housing sectors. This trend was driven, at least in part, by the belief on the part of many housing organisations that scale would increase their housing development and neighbourhood regeneration capacities. In line with this trend, through a series of mergers Midland Heart grew into an organisation with 32,000 units. Midland Heart presented the organisational scale and the efficiency gains expected from the 2006 merger between the two housing associations, Keynote and Prime Focus, as an important factor contributing to their neighbourhood regeneration capabilities. Their leading role in the regeneration of Lozells was, at least in part, motivated by the ambition to demonstrate their capabilities in this domain. However, at the same time, the increased scale of general operations diluted the focus and importance of any individual area to the organisation.

De Huismeesters had no ambition to expand its territory or increase its organisational size. Scale was seen as the natural outcome of asset management decisions such as housing sales, demolitions, (de)conversions and new housing construction. The organisation explicitly profiled itself as a *neighbourhood-driven* organisation: a *focus* on the needs of neighbourhoods and residents, rather than organisational *scale*, was regarded as a key to success. The differences between the two organisations show that within the context of a general trend towards increased organisational scale, housing associations may make very different choices about their own organisational size.

§ 9.5   **Process**

Research Question 4

How do decision-making interactions involving housing associations develop in neighbourhood regeneration networks? Which interaction strategies do housing associations use and how do other actors view and respond to these strategies?

This section focuses on two distinct periods in the decision-making process regarding the regeneration of Lozells and De Hoogte. The first period deals with the development of the regeneration plans. The second period focuses on select events that took place after the regeneration plans were approved. The development of the Lozells Masterplan spanned several years, from 2007 to 2009. In De Hoogte, the development of the Neighbourhood Action Plan in 2007 only took several months.

§ 9.5.1   Process: main conclusion

Housing associations in both case study areas had a prominent and often leading role in the policy arenas in which regeneration policies were developed. In these arenas, intensive decision-making interactions between housing associations and local authority departments took place. Both national governments had a strong impact on how the decision-making processes evolved, leveraged by the alluring resources offered by national regeneration programmes and the requirements attached to these funding resources. Local actors who wanted to acquire funding from these national programmes tailored the local decision-making process to fit these requirements.

Decision-making took place in arenas that almost exclusively consisted of professionals. Residents were given a consumer role in the process: their views on neighbourhood needs were implicitly taken into account but they were not involved in the development or delivery of the plans. The neighbourhood plans were presented to residents only after the housing association and the local authority (and the national government) had reached consensus. Not all decision-making arenas were closed to residents. The housing associations in both case study areas involved residents as co-decision-makers in more 'hands-on' neighbourhood issues such as improvements to the public realm.

Very few conflicts and deadlocks occurred during the development of the regeneration plans. There was a strong impetus for the housing associations and the local authority to reach an agreement: no consensus would mean no national government funding. This may explain why the actors involved in the development of the regeneration plans used rather traditional instruments to facilitate decision-making, such as limiting the number of actors involved and enforcing strict time constraints.

§ 9.5.2   Process: De Hoogte, Groningen

The national Empowered Neighbourhood Programme triggered the development of the Neighbourhood Action Plan for De Hoogte in 2007. Without this national programme De Hoogte would have remained one of the 15 priority neighbourhoods in Groningen that were part of the city-wide 'New Local Agreement' ('Nieuw Lokaal Akkoord') neighbourhood approach. Because neighbourhood regeneration plans for De Hoogte were already at an advanced stage of development, De Huismeesters rather reluctantly decided to support the Groningen local authority's ambition to include De Hoogte in the Empowered Neighbourhoods Programme. The expectation that this would channel additional resources to the area was an important driver for this decision.

The inclusion of De Hoogte in the new national neighbourhood programme meant that a Neighbourhood Action Plan had to be developed in a matter of months. Because of the time limits set by the national government, there was very limited opportunity to develop a joint vision on the future of the area and to coordinate the goals of the various stakeholders. Consequently, the ensuing decision-making process clearly resembled 'garbage can decision-making' (Cohen et al., 1972). The objectives included in the Neighbourhood Action Plan were only loosely connected to the actual problems in the area.

As discussed in Chapter 2, Cohen et al. (1972) used the 'garbage can' as a rather value-free metaphor to describe how the decision-making process evolves in complex situations they called 'organised anarchies', where 'choices were looking for problems, issues and feelings looking for decision-situations in which they might be aired, solutions looking for issues to which they might be an answer, and decision makers looking for work' (Cohen et al., 1972, p. 1). It could be argued that 'garbage can' decision-making is simply a fact of life and that one should celebrate the accomplishments of actors who are able to create policy windows and agree on actions in a very complex context. However, this implies that action – any action – is an improvement. The possibility that certain actions could worsen the situation in neighbourhoods or could simply be a waste of money is not taken into consideration.

The case study found little evidence that actors tried to manage the 'garbage can nature' of decision-making. The 'pressure cooker' meetings were used to accelerate decision-making and left little room to assess and compare the impacts of different scenarios. The main yardstick for the inclusion of any given proposal in the plan was the level of 'energy' it generated among the professionals who participated in the meetings. The organisations involved in the development of the plan primarily wanted to include their own goals, but did not necessarily support the goals and actions that other organisations proposed for inclusion in the Neighbourhood Action Plan.

The Neighbourhood Action Plan for De Hoogte was developed without direct resident involvement. Before the plan was drafted, officers from the housing association and the local authority went door to door on several occasions to ask residents about their needs and wishes for the area. Although this was a sympathetic gesture, and for some officers a large step because they had thus far had very limited contact with residents, the impact of these door-to-door sessions on actual decision-making remains unclear. It is clear, however, that residents were not involved in drafting the Neighbourhood Action Plan. Instead, they were presented with the end results of the decision-making process by the housing association, the relevant Groningen local authority departments and several government-funded organisations delivering care and support services.

The drafting of the Neighbourhood Action Plan for De Hoogte did not result in major conflicts or deadlocks. The decision-making process was primarily focused on producing a document that would satisfy the needs of the national government.

Conflicts did arise after the relevant parties had signed-off on the plan; for example, the controversy surrounding the creation of a neighbourhood centre (see Chapter 6 for a more elaborate discussion). One of the most prominent elements in the Neighbourhood Action Plan for De Hoogte was the development of the Sparkling Heart (*Bruisend Hart*), a new community 'hub' in the centre of the neighbourhood that would include an Extended School (*Brede School*), a Family Care Centre and other neighbourhood facilities. However, it was not clearly communicated that 48 apartments would have to be demolished in order to develop this community hub. The residents affected were not involved in, and initially even not informed about, the demolition decision. They thus organised a programme of fierce opposition that received considerable local media coverage. This opposition coincided with disagreement between the housing association and the local authority about the ownership of the new school, leading to a new round of decision-making that culminated in the termination of the Sparkling Heart initiative. As a result, the Neighbourhood Action Plan for De Hoogte became a rather inconsequential policy document that did not even factor in the evaluation of the Empowered Neighbourhood Programme in Groningen in 2012 (Groningen Audit Committee, 2011).

§ 9.5.3   Process: Lozells, Birmingham

In comparison to the planning processes in De Hoogte, the development of the Lozells Masterplan faced less time pressure, enabling different scenarios and options to be discussed by representatives from the housing association and the local authority. As in De Hoogte, residents had no formal role in the development of the master plan. Some community members were consulted informally to determine whether there was support for specific solutions before their inclusion in the master plan. However, these consultations had no formal status and the proceedings of these meetings were not communicated to the wider community.

In Lozells, this study found strong indications that the regeneration partnership led by housing association Midland Heart intentionally tried to maximise support for and minimise opposition to the Lozells Masterplan. This is illustrated by the way the regeneration options were presented to the public. During the workshops for housing association and local authority professionals, plans were discussed in detail, but during the May 2008 public consultation, these plans were intentionally presented in more abstract form in order to prevent residents from ascertaining the impact on their personal situations. For example, plans that included the demolition of specific properties were 'blurred' so residents would not be able to determine whether it was their home that would be demolished.

Another strategy used to increase support for the Lozells Masterplan is apparent in the way neighbourhood generation initiatives were visualised, with highly biased 'before' and photo-shopped 'after' pictures. The 'before' pictures usually had overcast skies, bare trees and no people in them. The 'after' pictures had blue skies, blossoming trees or trees with fresh greenery, happy families, fathers playing with their children and women in colourful saris (see North and South Lozells, 2009 Final Report, pp. 36, 39, 44, 90). It is not surprising that public consultations with residents resulted in very high levels of support for the initiatives in the master plan (between 96% and 99% of the residents consulted) (North Lozells Masterplan, 2008, pp. 69-74; also see Skelcher, Sullivan and Jeffares, 2013, for a discussion on how Midland Heart organised public consultation).

Not all spheres of neighbourhood regeneration decision-making were closed to residents. One example is the women-only workshop that was externally commissioned by Midland Heart in 2007 to discuss specifications for the properties to be 'deconverted' into homes for large extended families (CUDOS, 2007). However, it remains unclear how the outcomes of this workshop influenced the actual design of the deconverted homes. There are indications that some crucial outcomes from the workshop were not included in the design. Workshop participants warned that there was a clear limit to what local families could afford to pay for the deconverted properties. Despite this caveat, the deconverted homes were refurbished to a very high standard. Due to the resulting substantial asking prices for these properties, it proved very difficult to find buyers, and most homes were converted into rental properties. Participants in the all-women's workshop also indicated that interest in multi-generational extended family homes was eroding within many of the ethnic communities in the area. Young families from these communities increasingly opted for individual homes close to family members, but not for large extended family dwellings.

While the influence of the local community on decision-making outcomes remains opaque at best, the impact of the national government was clearly visible; for example, in the adaptations of the geographical scope of the Lozells Masterplan. The initial master plan, delivered in 2008, only incorporated plans for North Lozells and was tailored to the expectations of the national Housing Corporation: the agency that funded and regulated housing associations. However, in 2008, the Housing Corporation was replaced by a new entity: the Homes and Community Agency (HCA). Communications between the HCA and the Lozells regeneration partnership made it clear that a master plan for North Lozells alone would not meet the expectations of the HCA, and would be on too small a scale to be successful in a bid for funding. Midland Heart and Birmingham City Council thus decided to create an integrated plan that also included South Lozells. This new plan was finalised in 2009. By that time it was already apparent that the Housing Market Renewal programme would be terminated. The austerity measures presented in the 2010 Comprehensive Spending Review made it even more certain that no government funding would be forthcoming to support the plan's proposals.

In both countries, the housing associations and local authority departments tried to reach consensus on neighbourhood regeneration policies in policy arenas that were closed to other actors, such as residents. Only after consensus was reached did housing associations and local authorities present the outcomes to the local communities.

In both countries, the national government had a significant influence on how the local decision-making processes evolved. The time constraints imposed by the Dutch government had a negative impact on the quality of the decision-making process that produced the De Hoogte Neighbourhood Action Plan. In Lozells, the actors took their time to develop the master plan, assess different options and align the plan with the expectations of the national government. The level of joint image-building and the entwinement of goals was thus higher in Lozells than in De Hoogte. This is further evidenced by the fact that most options included in the Lozells Masterplan were also included in the long-term Aston, Lozells and Newtown Area Action Plan (Birmingham City Council, 2012). This document forms the long-term planning framework for the area. The Neighbourhood Action Plan for De Hoogte was not aligned with the spatial planning framework.

In both case study areas, the plans seem to have been developed in a world that was far removed from the daily reality and needs of residents. Decision-making on neighbourhood regeneration was almost exclusively the domain of professionals from housing associations and local authority departments. The role of residents, as well as elected politicians, was very limited.

One factor that may have contributed to the decision-making arenas being kept off-limits to residents was the fact that the plans concerned long-term investment decisions on housing and neighbourhood facilities. In interviews, some housing association representatives voiced doubts about the ability of residents to provide any fruitful contribution to such discussions. Another possible contributing factor, encountered in De Hoogte, relates to the fact that some programmes included in the Neighbourhood Action Plan were aimed at supporting vulnerable families. Interviewees from housing associations and the local authority believed that developing and delivering these individual support programmes was the domain of professionals. In their view, residents lacked the expertise to offer a contribution to decision-making in this domain.

This lack of inclusion of residents and other actors in the decision-making process may also be related to the goal of reducing decision-making complexity by limiting the number of actors participating in such arenas. Because both neighbourhood plans were primarily the product of local authority and housing association professionals,

they remained poorly visible to local residents and were not adequately embedded in the local community. Consequently, the plans played a very limited role in subsequent decision-making arenas and they – almost literally – descended into oblivion after the termination of the regeneration programmes from which these plans originated.

§ 9.6 Outcomes

Research Question 5:

How has the network, and the role of the housing associations in particular, contributed to neighbourhood regeneration decision-making outcomes?

§ 9.6.1 Outcomes: main conclusion

The test of governance networks and the role of housing associations in these networks will ultimately be measured by their ability to deliver relevant results. The housing associations in the case study areas contributed significantly to neighbourhood regeneration activities, not only because they channelled considerable investments into the areas, but also due to their strong involvement with government agencies, local communities and –sometimes – market actors to facilitate decision-making and problem-solving.

The actions of network actors have improved the quality of some parts of the housing stock in the case study areas. Joint projects have been delivered to improve the public realm and contribute to neighbourhood safety. The socioeconomic position of residents in both case study areas also improved in an absolute sense, although it only remained stable when compared to city-wide development. The fact that any improvement was made in places such as Lozells and De Hoogte, which have been on the sharp end of economic and social change, can be regarded as an achievement given the economic crisis, the austerity measures, the housing market downturn and the termination of most neighbourhood regeneration funding.

An epistemological perspective which considers that policy outcomes can only be fully understood when the perceptions of all of the actors involved are taken into account underpinned this research. The research found that actors used diverging process,

input, output or outcome yardsticks to measure success, ranging from the number of projects and activities that started, to the amount of money spent, the increase in resident satisfaction, the number of conflicts overcome and the improvement seen in quality of life indicators.

The longitudinal perspective provided by this research has highlighted the short-lived nature of some of the neighbourhood interventions, suggesting that outcomes are often transitory stages in a longer term process of change. The assessment of outcomes is fluid. The games metaphor used in network governance theory provided a helpful way of understanding the relationship between outcomes and decision-making processes. New rounds of decision-making, new participants or changes to the network characteristics led to a review of old decisions, sometimes with a different assessment of the outcomes achieved. In this research, games are used as a metaphor. A formal in-depth theoretical analysis of specific policy games was not part of the scope of this research—but see Hertting (2007) and Klijn and Koppenjan (2004, especially chapter 3-5) for examples of game analysis.

§ 9.6.2 Outcomes: De Hoogte, Groningen

Neighbourhood regeneration in De Hoogte was delivered through strong collaboration between the Groningen local authority, housing associations and other third sector actors. It is therefore not always possible to attribute results to the actions of a single actor. It is, however, clear that housing association De Huismeesters was the most important actor in delivering the refurbishment and new housing construction in De Hoogte (De Huismeesters, 2012). In addition, the housing association contributed financially and in-kind to many community investment activities aimed at improving the public realm, neighbourhood facilities and supporting vulnerable residents. All these activities were included in the 2007 Neighbourhood Action Plan that was collaboratively developed by the Groningen local authority and housing associations, in consultation with residents.

These activities contributed to the overall satisfaction of residents with developments in their neighbourhood and more optimism about the future of their area. Residents in De Hoogte expressed a level of satisfaction with recent and expected developments in their neighbourhood that surpassed the city average (Groningen Local Authority, 2013b). However, many residents questioned the efficiency of the programme: 78% were satisfied with the additional resources invested in their community, but only 40% found that these resources were well spent (Groningen Audit Commission, 2011, p. 60).

The link between regeneration activities and neighbourhood outcomes remains tentative. A 2011 assessment by the Groningen Audit Commission (Rekenkamercommissie), an independent scrutinising body of Groningen City Council, found that neighbourhood regeneration projects often lacked explicitly formulated objectives. Their effectiveness was rarely monitored and they lacked a mechanism which indicated how the projects were expected to contribute to overarching regeneration objectives (Groningen Audit Commission, 2011; also see Visitatiecommissie Wijkenaanpak, 2011).

The network actors were satisfied with the neighbourhood regeneration results. This satisfaction appears to be mostly based on the assessment of the decision-making *process* and less on the outcomes delivered. After a difficult start-up period, collaboration in neighbourhood regeneration initiatives improved and gained momentum. The start of regeneration activities in 2007-2009 was regarded as slow, chaotic and insufficiently coordinated. Actors emphasised the importance of having only a limited number of practitioners active in the area: '*Knowing and being known*' was deemed a very important characteristic of a successful regeneration network. Actors voiced great pride in the Groningen neighbourhood renewal tradition that combined a strong focus on community involvement and solid collaboration between housing associations and the local authority. The collaboration between housing associations and the Groningen municipality was singled out as exemplary, intense and a critical success factor (Groningen Local Authority, 2012).

The yardsticks used to assess the outcomes of decision-making games can be transitory. Two examples from De Hoogte illustrate this. In the late 1970s, the refurbishment and replacement of outdated housing was aimed at maintaining the large amount of low-income housing in the area. At the time, most actors welcomed this outcome, but in the new millennium this homogenous low-rent housing stock was regarded as undesirable. The second example involves the decision-making games that resulted in the 2007 Neighbourhood Action Plan, which included the intention to develop a neighbourhood hub with a school and other facilities. This was regarded as of utmost importance for the area, even warranting the demolition of 48 apartments. However, the implementation of the plan triggered controversy, leading to new decision-making arenas and ultimately resulting in the conclusion that there was really no need for a new neighbourhood hub. New decision-making arenas led to new outcomes.

Residents valued the regeneration activities. This is reflected in their considerably improved assessment of the quality of the public realm and neighbourhood facilities. However, with regard to neighbourhood safety, community cohesion and general neighbourhood quality, very limited progress was made between 2006 and 2012 (Groningen Local Authority, 2013b, also see the Leefbaarometer: the national liveability monitor).

Diminishing the gap between the priority areas and the city average was an important goal of the Empowered Neighbourhoods Programme (Ministerie van VROM, 2007), but the overall position of De Hoogte compared to the city average has not improved. Profound socioeconomic improvement remains wanting: it is not yet reflected in significant improvements to deprivation indicators, and for many residents it is not yet observable in daily life. The longer term objective to improve the social and economic position of residents has not yet been achieved. (Groningen Audit Commission, 2011, p. 60).

Outcomes: Lozells, Birmingham

Regeneration activities in Lozells were delivered by a partnership that included Birmingham City Council, the housing market renewal pathfinder, Urban Living, and housing association Midland Heart. Midland Heart had an important role in delivering these activities and led the process that resulted in the Lozells Masterplan. Master planning is an activity usually conducted by the local authority because such plans are used to inform future statutory planning guidelines. This illustrates the close cooperation between partners in the network. Most of the regeneration activities in Lozells were funded by Urban Living, with limited financial investments in Lozells by Midland Heart: its capital investments were mainly focused on projects in neighbouring areas, for example the Crocodile Works project in Newtown.

The regeneration activities, with the support of funding from Urban Living, addressed the long-standing concerns of residents, such as on-street drug dealing, prostitution and anti-social behaviour, through the installation of CCTV cameras, as well as alley gating and target hardening of properties. In addition to these security upgrades, the programme included environmental improvements such as garden clearance and maintenance works at a number of crime hotspots. Monthly 'walkabouts' by officers from Midland Heart and various local government departments were introduced to identify and resolve issues such as illegal dumping and graffiti (Audit Commission, 2011, pp. 21-22).

The largest capital investment in the area involved restoring Victorian era houses which had been converted into small apartments in the 1960s and 1970s, returning them to their original status of large owner-occupied family homes. Around 10 deconverted homes were delivered in Lozells. Due to the housing market downturn, Midland Heart was unable to sell these properties and had to transform them back into social rental housing. Some of the homes acquired with Urban Living money remained empty in the absence of regeneration funding and market demand.

This process of housing deconversions illustrates the transitory nature of regeneration outcomes. In the 1970s, the conversion of these large properties into social rental flats by housing associations was regarded as a successful policy outcome, but it then became part of the problem in 'game rounds' of the 2000s when these flats were to be deconverted into family housing for sale. Another example illustrating the transitory nature of regeneration outcomes involves the clearance of 'groves' in Lozells. In the early stages of the Lozells master planning process, an option to demolish some of the 'groves' in North Lozells was considered. These areas were perceived as badly designed urban spaces causing problems with parking and litter. The involvement of English Heritage, a new actor participating in the consultation process, led to a reframing of the 'groves' from a nuisance into a heritage asset. The demolition option was replaced by a strategy to improve the public realm and introduce intense management in close collaboration with residents. Some of the groves in South Lozells were not so lucky: they had been cleared some years earlier but proved unsuitable for redevelopment because of the complicated layout of the sites and severe soil pollution.

Neighbourhood regeneration outcomes in Lozells have been subject to two evaluations: one by Urban Living (2011) and one by the Audit Commission, the government's watchdog (2011). Various criteria were used to assess the regeneration outcomes. There was a strong focus on both output – the number of acquired, demolished, refurbished and newly constructed housing – and inputs – national government investments offset against the amount of additional public and private investments leveraged for the area.

In retrospect, Urban Living concluded that it had achieved or exceeded all of the agreed targets, claiming that the area was now in a better position to attract further investment (Urban Living, 2011). In contrast, the Audit Commission saw it as a matter of concern that in an area of high housing demand private sector developers and housing associations had not taken the opportunity to develop land that was ready for re-use following clearance (Audit Commission, 2011).

Outcome indicators of the quality of life in the area played an important role in the assessment of regeneration outcomes. This involved indexes on property satisfaction (focused on the individual home) and neighbourhood satisfaction (focused on the local community). Despite external improvements to almost 1,000 homes, property satisfaction declined in Lozells. Poor housing conditions remain, with overcrowding a significant problem (Audit Commission, 2011). Very few affordable homes were built in the areas. Neighbourhood satisfaction increased in North Lozells between in 2004 and 2010, where Midland Heart concentrated most of its interventions. However, neighbourhood satisfaction in South Lozells fell in the same period. Both areas remained below the average for the Urban Living pathfinder.

The regeneration activities strengthened the ability of the local communities to influence the way their neighbourhoods were served and shaped. This is also reflected in the statements by local community representatives interviewed for this research [see Chapter 8]. Residents had more influence on decision-making, an increased capacity to undertake regeneration initiatives and better connections with housing associations and local authorities. The residents interviewed noted, however, that the investments by Urban Living were not very visible in the area: 'they did not leave a legacy'.

Notwithstanding the actions undertaken by actors in the regeneration network, Lozells is still among those areas with the highest levels of deprivation in England and Wales. Census data from 2001 and 2011 shows a slight improvement in the socioeconomic position of residents in Lozells and the levels of deprivation in the area, but the gap between Lozells and the city average has not diminished [also see Appendix H]. Lozells remains among the most deprived neighbourhoods in the pathfinder area. Household turnover also remains high, reducing the stability of the community. There is a high risk that social cohesion problems may return, threatening long-term sustainability and mitigating the impact of positive interventions to date. There is still dissatisfaction with crime and the poor quality of the environment. The development of a more balanced housing market remains constrained by low-income households with limited access to finance (Audit Commission, 2011, p. 8). These outcomes demonstrate that the impact of network actors on neighbourhood regeneration outcomes was limited: overall market and socioeconomic factors were more powerful than their interventions.

§ 9.6.4 Outcomes: similarities and differences

Lozells and De Hoogte have seen a succession of neighbourhood regeneration interventions in line with the policy paradigms of the time. These interventions have not fundamentally changed the position of either neighbourhood or the overall experience of the residents. During the most recent interventions, tangible results were delivered by the local governance networks, which involved a strong contribution by housing associations. The satisfaction of residents with neighbourhood quality has increased and they are more positive about the future of their area. Nevertheless, while the socioeconomic position of residents has improved nominally in both areas, the overall position of both neighbourhoods in comparison to their respective city averages has not changed. Low-cost housing remains predominant in both areas, attracting low-income households.

These results indicate that bringing change to vulnerable neighbourhoods such as Lozells and De Hoogte is a long-term process. The yardsticks used to assess the outcomes of regeneration are transitory. Previous outcomes can be regarded as

undesirable in new decision-making game rounds. This study demonstrated that this may not only occur with respect to outcomes attained decades ago but also with respect to very recent results, which may 'fall from grace' as a result of new actors entering decision-making arenas and changing policy agendas.

The evaluations in De Hoogte and Lozells included improvements in resident satisfaction with their homes and their neighbourhoods. However, the evaluations did not provide much insight into the drivers underpinning change and the connection between neighbourhood interventions and the outcomes produced.

The assessment of developments in Lozells and De Hoogte was part of evaluations that involved larger geographical areas. Lozells was part of an evaluation of the entire Urban Living pathfinder area. The evaluation of De Hoogte was combined with the larger neighbourhood of Korrewegwijk. The policy evaluations in both case studies contain critical remarks on the developments, but in a kind of 'halo effect' the positive developments in other neighbourhoods tended to dominate the overall assessment of the regeneration programme, masking the less favourable results.

§ 9.7 **Scientific and societal relevance**

§ 9.7.1 **Introduction**

This section discusses the scientific and societal relevance of this thesis. The discussion of scientific relevance is divided into two elements. First, the theoretical relevance of this research, in terms of a better understanding of the complexity of the role of housing associations in decision-making processes, will be addressed. The section continues by discussing some of the challenges to the further development of governance network theory and the way this research has contributed to solving these challenges through theory development.

The second part of the discussion of scientific relevance reflects on the methodologies used to explore neighbourhood regeneration decision-making and the need for further development in this domain. This discussion also includes a reflection on the role of the researcher and research process.

The section ends with a reflection on the societal relevance of this research. This includes some implications and recommendations that may strengthen the contribution of housing associations to neighbourhood regeneration decision-making.

§ 9.7.2 **Theoretical relevance**

Understanding and nuancing the complexity of decision-making

This subsection discusses the merits of and the challenges facing the network governance perspective used in this research. It will reflect on the experiences accumulated in this research using a state-of-the-art overview of governance network theory by Klijn and Koppenjan (2012).

The governance network perspective has supported the exploration of the role played by housing associations in neighbourhood regeneration decision-making. This approach has increased our understanding of the complexity and the uncertainties involved in networked forms of decision-making by highlighting concepts such as the interdependence of actors, the importance of trust, the impact of different actor perspectives, the creation of decision-making arenas, and the development of rules that determine access to these arenas and guide interactions within them. The approach helped us to identify instruments and strategies used by housing associations and local authorities to cope with the complexity and uncertainties of decision-making. These strategies combined network steering (aiming to reach consensus, build commitment and develop trust) and hierarchical steering in the design of the decision-making process (e.g. fixed decision-making timelines and restricted access for certain actors to decision-making arenas).

This research nuances some of the complex characteristics attributed to governance networks, such as high levels of multiformity, interdependencies and closedness [see Chapters 5 and 6]. Initially, there were only a limited number of actors in the networks investigated: local government agencies, housing associations and other third sector organisations. Most actors had been collaborating for many years and could be expected to have been familiar with each other's goals, logic and values, thus diminishing the uncertainties often associated with decision-making in networks.

The network actors themselves increased the complexity of policy games. Sometimes this was induced by the national government, when local network actors responded to steering instruments such as subsidies applied by the state. This led to more network complexity and dynamics in the form of new goals, actors and arenas. Decision-

making in the local network was put under additional time pressure in order to meet the requirements of national regeneration programmes. Consequently, the national government obtained an influential position and many interactions in the local network were aimed at acquiring or allocating national government funding and meeting national government expectations.

Network governance theory supported the reflection on the composition and management of the regeneration networks. This research found that residents and private sector actors were not, or rarely, involved in decision-making processes. With a little hindsight, one could formulate the contention that these actors were not fully represented in the governance network because incumbent network actors (i.e. housing associations and local authorities) 'chose the devil they knew'. They opted for state involvement, rather than facing the uncertainties that would have resulted from expanding the network to include residents and private sector actors. This conclusion nuances the findings presented in Chapter 3, which suggested a degree of complementarity between network governance and representative democracy, but also concluded that it is important to find a pragmatic balance between efficiency and the democratic anchorage of decision-making in governance networks. Our case study findings revealed how existing network actors made decisions on the composition of governance networks and the design of decision-making processes that were at odds with criteria for democratic anchorage. Apparently, efficiency in decision-making is sometimes preferred over democratic anchorage. This supports one of Klijn and Skelcher's (2007) alternative conjectures, presented in Chapter 3, namely the 'instrumental conjecture' that sees networks as instruments used by dominant actors to reinforce and realise their interests, rather than as a process of negotiation with other actors.

Challenges for governance network theory

In a 2012 article, Klijn and Koppenjan focused on the past, present and future of governance network theory and highlighted some challenges that need to be addressed (Klijn and Koppenjan, 2012). One of the challenges formulated concerned the emergence of hybrid governance practices, combining network governance with hierarchical public administration models and market-based approaches. They also emphasised the need for growing awareness of the limitations of governance network theory. The following will highlight how this research contributed to addressing these challenges and will formulate some additional theoretical issues emanating from this research.

1 The emergence of hybrid governance practices, combining network governance with traditional (hierarchical) public administration models and market-based approaches.

From the outset of this research, governance network theory was used interpretively as a 'lens' through which to explore and understand how decision-making processes evolved. Informed by network theory critics such as Davis (2011) and Swyngedouw (2005), this research anticipated that networks would not exclusively consist of 'horizontal' relationships between actors. Therefore, more hybrid decision-making mechanisms that combined hierarchical government steering with market competition and network coordination were expected.

Several governance network scholars emphasise the stability and robustness that networks acquire over time (Sørensen and Torfing, 2007, p. 9; Koppenjan and Klijn, 2004, p. 9). While the Groningen regeneration network was rather stable and robust, this research demonstrated how contextual developments profoundly affected the network, especially changes in national government policies. Klijn and Koppenjan (2012) point out that hybrid coordination mechanisms can lead to instability in decision-making. They regard this as one of the major challenges for governance network research, but also present it as a kind of anomaly: a deviation from the norm that says complex decision-making processes in modern networked societies should take place in arenas that are infused with trust, social capital and reciprocity.

The findings of this research suggest that hybrid coordination mechanisms dominate decision-making in the public domain and support the contention that genuine 'horizontal' governance networks will rarely be found in practice. This supports the argument that there is a need to shift governance network research away from an exclusive focus on horizontal network arrangements and towards a study of hybrid governance practices in which hierarchical, market and network arrangements are combined. However, hybrid forms of decision-making remain controversial in a context dominated by neoliberal discourse, where market mechanisms seem to be equated with efficiency and government steering is equated with democratic legitimation.

This research supports the need for theories that are able to unravel a hybrid coordination mechanism. A sizable part of the interactions in the local networks explored were focused on dealing with the impact of contextual developments, especially the need on the part of network actors to align their plans with rather unstable national government policies and expectations. The emergence of hybrid governance practices features very prominently in this thesis. We found that the national government had a major influence on the decision-making processes in both the Birmingham and Groningen cases. Hybrid arrangements combining diverse coordination mechanisms compels governance network theory to develop further so it can address the potentials and risks of hybrid governance. This research highlighted the

vulnerability of the Birmingham governance network, which had many characteristics of an externally mandated partnership with strong national government influence.

The impacts of government decisions were not only felt through policy shifts that provoked sudden fluctuations in the scope and funding of the neighbourhood regeneration programmes. The respective national governments, each in their own way, also changed the rules governing the roles of actors in neighbourhood regeneration networks. The participation society agendas introduced by the English and Dutch governments call for a bottom-up approach to neighbourhood regeneration, emphasising the responsibilities of individuals and local communities. It is quickly forgotten that only a few years ago the same national governments, albeit with a different political orientation, championed top-down approaches to neighbourhood interventions, such as the Empowered Neighbourhood Programme in the Netherlands and the Housing Market Renewal Programme in England.

2   Awareness of the limitations of governance network theory

This study highlighted some additional challenges that need to be addressed through the further development of governance network theory or by seeking connections with other theories. This research found two specific challenges: first, the theoretical implications of the role of residents as co-producers of neighbourhood regeneration; and, second, the need for a more robust assessment of governance network outcomes.

The theoretical implications of the role of residents as co-producers of neighbourhood regeneration

One of the challenges identified by Klijn and Koppenjan (2012) is the accommodation of growing specialisation and differentiation within governance network theory. Neighbourhood regeneration governance can be regarded as one the domains requiring a specialised approach, due to the role of residents in decision-making. This is one of the issues that arose very prominently from the Birmingham, Groningen and The Hague case studies. Resident participation was problematic in all three cases.

While most officers were committed to involving residents in neighbourhood regeneration decision-making, delivering on this commitment proved more complicated than anticipated. The actors stated that they were reluctant to formally involve residents in decision-making processes because local communities, in their experience, were fragmented and often hopelessly divided. These officers recounted cases where conflicts and feuds between individuals, families and community groups had seriously hampered decision-making. For them this was an important reason not to involve residents in decision-making arenas.

Governance networks have the potential to contribute to new forms of democracy and community involvement that are adapted to the complexity of decision-making on neighbourhood regeneration and that deal with societal fractures and actor fragmentation by involving more groups at different stages of the decision-making process [see Chapters 3 and 8]. Governance networks may contribute to the *quality* and *legitimacy* of decision-making outcomes, but the *efficiency* of decision-making will most probably not benefit from this more inclusive approach. The trade-off between efficiency and legitimacy that arises from increased resident involvement in the co-production of neighbourhood regeneration is a challenge that calls for the further development of governance network theory.

This research suggests several avenues that could be followed. First, a more in-depth study of Habermas's theory of communicative action, as explored in Chapter 8, might be undertaken. Second, more use could be made of the body of knowledge and theories developed in England during the New Labour government (1997-2010), which was often explicitly concerned with networks that linked governments with citizens and local communities. For example, work by Sullivan and Skelcher on citizen participation in public services (Sullivan & Skelcher, 2002), theory-driven approaches to analysing collaboration (Skelcher & Sullivan, 2008) and methodologies for assessing the relationship between network governance and citizens (Mathur and Skelcher, 2007) may all be of relevance.

The assessment of governance network outcomes

Ultimately, more democratic and inclusive approaches to decision-making on neighbourhood regeneration are likely to result in better outcomes, but not necessarily in greater consensus among the actors involved. Within network governance approaches there is a tendency to define satisfactory outcomes as those that enjoy the greatest joint support of the actors involved in the process. Teisman calls this 'ex-post satisficing' (Teisman, 1992, quoted by Kickert et al., 1997, p. 173). More inclusive approaches that engage a wider range of actors, including different market sectors and residents, might appear to be less successful as the benchmark of satisfaction is raised to include a wider range of preferences and experiences. Therefore, we need a more nuanced assessment of outcomes produced by highly diverse networks.

The longitudinal perspective provided by this research has highlighted the short-lived nature of some of the neighbourhood interventions, suggesting that outcomes are often transitory stages in a longer term process of change. The assessment of outcomes is fluid. The game metaphor used in network governance proved a helpful way of understanding the relationship between outcomes and decision-making processes. New rounds of decision-making, new participants, or changes to network characteristics led to a review of old decisions, sometimes with a different assessment of the outcomes achieved.

Governance network theory should therefore develop methods – or develop connections with other theories and methodologies – that enable the evaluation of the success of governance networks by combining substantive regeneration outcomes, network actor and stakeholder satisfaction, and network learning in assessment processes. Ideally, any evaluation should include a combined triple bottom line approach [see Figure 9.3] to prevent actors from 'cherry picking' among the various yardsticks available in order to construct a 'bottom line' that favourably influences the outcome of the evaluation.
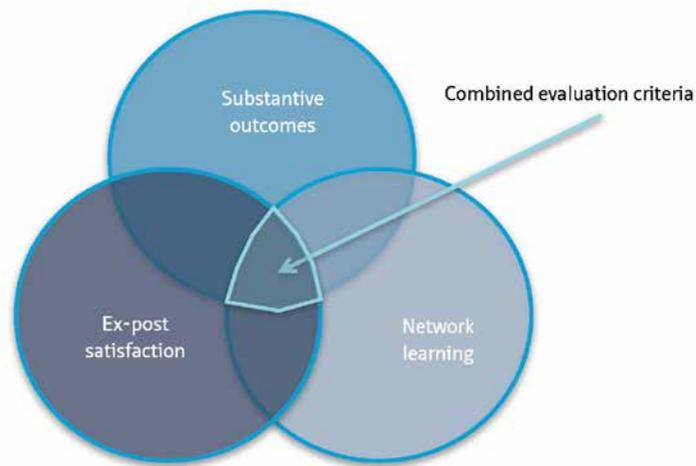
FIGURE 9.3 Combining evaluation criteria

Preventing 'cherry picking' is essential, given the disinclination found among actors to closely scrutinise the outcomes of decisions that resulted from 'garbage can' forms of decision-making. Further development of network governance approaches will increase our understanding of how actors construct the yardsticks used to evaluate success and provide tools to facilitate a more comprehensive assessment of network outcomes [also see 'Recommendation 5' in § 9.7.4 on developing methods to increase accountability and transparency in decision-making processes and their outcomes].

Methodological relevance

Exploring neighbourhood regeneration decision-making

This research used a qualitative, longitudinal, international comparative methodology. This approach demonstrated the considerable impact of contextual developments – over time and place – on the characteristics and outcomes of governance networks. The research methodology combined a focus on processes with attention to outcomes such as stakeholder satisfaction and societal impacts.

The longitudinal approach of this research [see Figure 9.4] highlighted the developments in the network: the coming and going of actors, and also the change in the goals and perspectives of actors. This perspective revealed the short-lived nature of government-sponsored neighbourhood regeneration interventions, suggesting that regeneration outcomes are often transitory stages in longer term processes of change, which may include, for example, shifts in welfare regimes that alter the responsibilities and tasks of the state, the market, civil society and individual residents. Changing perspectives led to the considerable transformation of actors' goals. The longitudinal approach helped us to capture these developments.
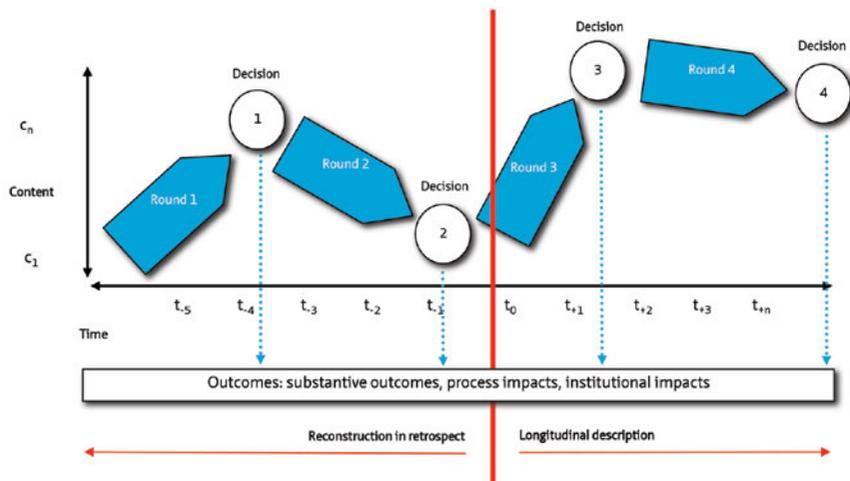

FIGURE 9.4 Figure 18: Conceptual elements to analyse policy games

Reflections on the role of the researcher and the research process

The combination of a focus on processes and multiple forms of outcomes (substantive, societal, network) provided a form of triangulation. Approximately 70 interviews were conducted for this research. Many individuals were interviewed several times during the fieldwork period [see Appendix C]. The interviewees predominantly focused on the decision-making process, with their narratives focusing specifically on what they did. Often they were not yet able to elaborate on the outcomes that were produced by their actions. This 'fog of decision-making' sometimes made it impossible for the interviewee, and for me as a researcher, to gain a clear overview of all the arenas and actors. In both case studies there were several staff changes which resulted in new officers taking up a position. These individuals thus had limited knowledge about previous decision-making arenas and had to rely on such information from their colleagues. Sometimes interviewees were unable to recall events, thoughts and interactions, or provided statements that were not consistent with previous interviews. During the fieldwork period, I sometimes had more detailed knowledge about the previous decision-making events than the individuals interviewed.

The research also encountered some limitations to the *research approach*, and some limitations regarding the *researcher*. Interviewees are not always willing to speak about all the problems, conflicts, deadlocks and stalemates they encounter. To address this problem, at least in part, some interviews were conducted with external specialists or people who had been involved in decision-making events but had since moved to another organisation and were more inclined to reflect critically on events.

Sometimes practical problems made it impossible to fully capture events or interview narratives. Constraints of time and place limited the number of individuals that could be interviewed or events that could be attended. Informal 'corridor' or 'sidewalk' talks could not be recorded, but only captured in retrospect. In some cases interviewees requested that their statements remain off the record. Some issues were more prosaic, for example interviews that could not be fully transcribed because the music in the local Costa or Starbucks was too loud, or the batteries of the recording device ran out.

In-depth interviews constituted an important element of this research. A topic list was used to guide these interviews [see Appendix F], but this list was never used in a strictly sequential manner. In practice, interviews had a narrative flow and the topic list was used to formulate questions to gently steer the conversation through the topics relevant to the study. Moreover, many interviewees could only reflect on developments and interactions in decision-making arenas they themselves had participated in, or arenas about which they indirectly acquired information from other sources, such as colleagues, managers and network actors. Some questions proved difficult to answer for interviewees; for example, questions related to the development and characteristics of the governance network that transcended on-going policy games. Answering these

questions required a 'bird's-eye' overview of developments: most interviewees did not have such a perspective, but rather presented a narrative that reflected on the developments and actions in which they were directly involved. The longitudinal approach of this research proved very helpful, allowing the combining of the accounts of the various individuals to reconstruct decision-making events and the development of the governance network.

Reflection on research quality and the portability of research findings

Chapter 1 introduced three general criteria adopted in this research to secure its scientific quality: veracity, objectivity, and perspicacity. These criteria are derived from quantitative, ethnographic, research approaches (see Stewart, 1998). Appendix E contains an in-depth reflection on the measures taken to safeguard research quality.

Given the fact that this research endeavoured to increase our understanding of the role of housing associations in regeneration governance, the 'representativeness' of the two sets of organisations and local contexts is relevant: to what extent are the research findings of this 'small-n' study generalizable? The perspicacity concept adopted in this research helps us to answer this question.

Perspicacity deals with the identification of theories, processes, structures, relationships and contingencies that are specified sufficiently to provide insights that are applicable in other contexts. The concept of 'portability' through thinly rationalistic social mechanisms, as developed by Bengtsson & Hertting (2014), further specifies and operationalizes perspicacity. Portability through social mechanisms recognises that actors do things for a reason. It constitutes a generalizing bridge to other contexts with similar actor constellations to formulate plausible expectations that actors involved in comparable decision-making situations in other contexts would act and interact in much the same way.

Chapter 2 presented two core characteristics of housing associations: 1) they have the social aim to provide housing for target groups that cannot afford full market rents, 2) they are self-governing within a government regulatory framework. In addition to these core characteristics, this research indicated that the following portability conditions are relevant for housing associations to take on a meaningful role in neighbourhoods:

1 The housing association has a commitment to improve the quality of life in vulnerable neighbourhoods.
2 The housing association has the ability to sustain that commitment, independently from the priorities of politicians, funders, regulators or others.
3 The housing association has the ability to maintain a gradual—but not necessarily large—flow of resources (e.g. staff and money) to support vulnerable neighbourhoods.

4   The housing association regards residents and local community organisations as key stakeholders, and understands that collaboration with local communities is a craft that needs constant care.
5   The housing association understands that governance networks matter.
6   The housing association recognizes that it should protect governance networks from its own (and other's) organisational dynamics such as changes in staff, systems and strategies.

These conditions are mainly of a social nature and largely independent from organisational characteristics such as the size and structure of housing associations. Therefore, the portability conditions could also apply to other (social) housing providers, such as housing cooperatives, municipal housing companies or private social enterprises.

§ 9.7.4   Societal relevance

Strengthening the contribution of housing associations to neighbourhood regeneration decision-making

This research demonstrated that housing associations play an important role in neighbourhood regeneration networks. They can be a stabilising and cohesive factor in governance networks. Their interests are invested in the housing stock and this secures at least some level of commitment to vulnerable neighbourhoods. Their hybrid characteristics enable them to collaborate with community, market and state actors. Moreover, their access to resources allows them to focus on neighbourhood needs in cases where communities lack the capacity or cohesiveness to champion their own; when private actors shun these communities because profits are too low or perceived risks are too high; and when governments fail to prioritise resources to support vulnerable people and places.

It is likely that there will always be neighbourhoods such as De Hoogte and Lozells: areas that predominantly attract vulnerable low-income households. In these areas, the Big Society and Participation Society policy paradigms are likely to fail if implemented abruptly. Residents in these areas have long been dependent on support from system agencies such as housing associations and local authorities. They need sustained support to develop the capabilities to improve their own socioeconomic position and the quality of life in their community. This will very probably remain an activity that takes place beyond the limelight of mainstream politics and markets: it is not an activity that benefits politicians when it comes to winning elections, or helps CEOs increase the value of their company.

In the current political climate it is highly unlikely that national and local governments will be able or committed to making a positive impact in these areas. In past decades some neighbourhood regeneration programmes received long-term government support, such as the New Deal for Communities in England (1998-2011), the Big City Policy (1995-2009) and the 'Investment Budget for Urban Renewal' (2000-2014) in the Netherlands. The premature termination of the Empowered Neighbourhoods Programme in the Netherlands and the Housing Market Renewal Programme in England appear to mark a break from these long-term programmes. The current policy discourse in both countries demonstrates an unshakeable confidence in 'the market' and the strength of individuals, local communities and civil society.

Civil society resources are constrained in vulnerable neighbourhoods because the ability of residents to pay for services and contribute to civil society activities remains limited. This is the domain where housing associations can make a real difference – if they want to. Their position as private not-for-profit organisations lying between state, market and society provides them with some discretionary freedom to manoeuvre between state hierarchies and market competition to support local communities where needed. Housing associations need not be auxiliaries of the state, the local community or the market. If necessary, housing associations are able to act contrary to state, market or community expectations and logic, by placing issues on the policy agenda or determining priorities that are not defined by national or local politicians.

There are clear indications that governments tend to act too late in providing support to deprived neighbourhoods, and that their actions are only triggered when public order is in danger. The Dutch Empowered Neighbourhood approach introduced by Minister Vogelaar in 2007 (MVROM, 2007) was preceded by reports from her predecessor, Minister Winsemius, which claimed that certain neighbourhoods were in danger of becoming 'no-go zones'.

The fact that Lozells was labelled one of the priority areas in the Urban Living Housing Market Renewal Pathfinder is very likely connected to violent disturbances in the area in 2005 (Black Radley, 2007). The connection between the fear of public disturbance and the priority given to deprived neighbourhoods is clearly reflected in a remark by a high-level Midland Heart officer made in late 2010 not long after it became clear that regeneration funding for Lozells would be terminated. He was deeply concerned that this constituted a move away from any serious regeneration funding for the next 10 to 15 years, and that only two things could change the government's mind, one was an increase in homelessness and the other was street riots.

This is not a hypothetical assumption: neighbourhood regeneration might not be as high on the political agenda as before, but the widening gap between rich and poor is leading to segregation in a growing number of European cities. The rich and the poor are living at an increasing distance from each other. A comparative study

on socioeconomic segregation in European capital cities concluded that this may be disastrous for the social stability and competitive power of cities (Tammaru, Marcińczak, Van Ham and Musterd, 2016). The authors of this study claimed that spatial segregation may become a breeding ground for misunderstanding and social unrest. Investment in neighbourhoods and communities are needed to reverse this trend.

Politicians, almost by definition, depend on short-term electoral support. Private sector actors will only invest in deprived communities when profits and risks are acceptable and more attractive investment opportunities are unavailable. Social housing landlords, in contrast, have a long-term focus related to their real estate investments. Housing associations can therefore become a stabilising factor in local neighbourhood regeneration networks.

Achieving a mutual vision and goals that are shared by all actors involved is the most desirable outcome of neighbourhood regeneration decision-making. Given the fragmentation of actors, goals and perspectives this is likely to be unattainable. Housing associations have to make their own assessment. This implies that they must sometimes muster the audacity to act contrary to market logic, political agendas or the expectations of individual residents and local communities if this serves the quality of life in the neighbourhood in the long term. This is by no means a metaphorical 'blank cheque' for the activities of housing associations. The Parliamentary Enquiry on Housing Associations in the Netherlands clearly demonstrated what can happen if housing associations overstep their mandate [see § 9.8.2]. Using the leeway that housing associations have – as a hybrid organisation located between state, market and community – is an extremely delicate exercise which should aim to seek a balance between the very different expectations of the outside world. This is only feasible when housing associations can combine proficiency in network management with increased accountability. Housing associations can undertake several actions in taking on this role:

1 Increase their knowledge of the neighbourhood challenges and assess the capabilities of residents and the local community to address these problems
2 Choose an appropriate role in relation to each neighbourhood
3 Strive to include all relevant actors in the governance network
4 Provide stable 'gradual' neighbourhood regeneration resources to support network development
5 Improve accountability on decision-making processes and outcomes
These actions will be discussed in more detail below.

1   Increase their knowledge of the neighbourhood challenges and assess the capabilities of residents and the local community to address these problems

There can be no 'one-size-fits-all-approach' to neighbourhood regeneration. In some neighbourhoods, the quality of life is already excellent, with no need for additional investments by the housing association beyond the regular housing management activities. These areas face few problems and those that do arise are adequately dealt with by agencies, local community networks or individual residents. At the other end of the spectrum are areas such as Lozells and De Hoogte, where residents encounter difficulties in solving problems without external support. Sometimes local community networks only need a little support. Housing associations must develop monitoring systems and connections between frontline staff and local communities to acquire knowledge about the challenges in each neighbourhood and the ability of the local community to address these challenges.

2   Choose an appropriate role in relation to each neighbourhood

Based on the assessment described above, housing associations should carefully choose which role they can and should take. This role should preferably stimulate and facilitate resident initiatives and co-produce regeneration activities with local communities, but might also entail the delivery of interventions with limited resident involvement. The latter, rather interventionist, approach should only be taken as a last resort and would compel the housing associations to provide very convincing arguments to support their actions. Housing associations can use their position to act as a liaison between other organisations – for example the local authority – and signpost the needs of the area.

3. Strive to include all relevant actors in the governance network

Given the current post-crisis context, government austerity and participation society agendas, it is very likely that future neighbourhood regeneration will only be delivered in networks that include private sector and community actors. This research demonstrated that housing associations have the potential to help craft and maintain the networks needed to contribute to the quality of life in vulnerable neighbourhoods. To counterbalance the power of local authorities and housing associations, interventions are needed to put residents in the position and provide them with resources to genuinely contribute to neighbourhood regeneration decision-making and delivery.

Most housing associations already have a strong relationship with market actors in the field of housing financing, maintenance, refurbishment and construction.

However, these relationships are limited to specific projects and transactions, with market actors rarely part of the network. Thus, the challenge for housing associations is to bring private sector actors into the governance network and increase their involvement in the regeneration of vulnerable neighbourhoods. This will call for dense interdependent relationships, risk sharing, mutual goals, robust communication and information sharing between actors, and a long-term focus on the neighbourhood and collaboration between the housing association and market actors (also see Keast and Brown, 2009).

4. Provide stable 'gradual' neighbourhood regeneration resources to support network development

Financial resources are an important driver in developing and sustaining governance networks. This research found that both the absence and the abundance of resources can be detrimental to network performance. Financial resources can be so abundant that network actors are not able to transform them into meaningful neighbourhood regeneration outcomes. Well-known urban planning scholar Jane Jacobs framed the latter as 'cataclysmic money' in her seminal book *The Death and Life of Great American Cities* (Jacobs, 1961/1989). 'Cataclysmic money' refers to large, one-off investments that pour into an area in a concentrated form, producing, or intending to produce, drastic changes, but often behaving like a torrential and erosive flood (Jacobs, 1961/1989, p. 293). The eroding character of the Housing Market Renewal initiative in general was clearly voiced in remarks made by the UK housing minister, Grant Shapps, in 2012: he compared the housing market renewal programme to bombing raids by the German Luftwaffe with respect to its impact on homes and communities.

This study also demonstrated that the availability of 'cataclysmic money' for neighbourhood regeneration can be very short-lived. Rare and brief periods of resource opulence alternate with long periods of resource 'drought'. What is needed is a 'gradual' flow of resources that can capitalise, build upon and supplement what is already available in the neighbourhood: resources that behave like an irrigation system that feeds steady, continual growth (Jacobs, 1961/1989, p. 293).

Housing associations can become an important source of such gradual flows of money by reinvesting the surpluses generated by their regular landlord activities into vulnerable neighbourhoods. The experiences of Midland Heart in Lozells after the 2011 budget cuts demonstrate that the activities of dedicated staff members, supported by small amounts of money, can generate valuable results (see Van der Pennen & Van Bortel, 2015) when they remain focused on what is really relevant to the local community and they aim at mobilising the capabilities and talents of residents. The Neighbourhood Voting Days in Groningen also proved capable of stimulating many residents to develop and deliver neighbourhood regeneration activities. Money can go a

long way if it is not used to pay the salaries of unproductive staff members or expensive consultants but rather to leverage other resources, such as funds from other parties, time, commitment and local knowledge.

Housing associations in England and the Netherlands have become very proficient in leveraging government support and using their own resources to attract private sector investments. It would be very much in line with the Big Society/Participation Society paradigm [see Chapter 8] for housing associations to use their leverage capabilities to not only attract investments from the private sector, but also time, talent and other resources from residents and local communities to supplement the 'gradual money' they invest in the neighbourhood themselves. These resources can be used by housing associations to create a gradual stream of opportunities and incentives for tenants and local communities, and as a stimulus for governments and market actors to provide additional resources and investments.

5. Improve accountability on decision-making processes and outcomes

This research found strong indications of a reluctance among professionals and policymakers to learn lessons from various activities in neighbourhood regeneration networks. Rather than reflection on their effectiveness, efficiency and legitimacy, the actors preferred to move on to new policy games. They seemed to be rather easily satisfied when decision-making in policy arenas led to action of any kind, without closely scrutinising the impact of these actions. This phenomenon closely resembles what Koppenjan and Klijn (2004, p. 126) call 'ex post rationalisation'.

Stakeholder satisfaction, including the satisfaction of residents, was frequently used as a measure in the policy evaluations in the case study areas. Teisman calls this the criterion of 'ex post satisficing' (1992). If actions do not lead to positive developments at an objective level, evaluation based on stakeholder satisfaction alone is not sufficient, as it cannot identify why actions did, or did not, deliver results.

The attribution of certain outcomes to actions is complicated, and this research found that network actors tended to rather selectively attribute outcomes to activities in order to signpost the success of their own actions. In Chapter 6, we discussed three criteria proposed by Koppenjan and Klijn (2004, p. 127) for an integrated assessment of outcomes generated in a network setting: substantive learning, strategic learning and instructional learning. This research found that actors are reluctant to use such a holistic and comprehensive evaluation framework.

There are several compelling reasons why housing associations should champion more integrated evaluation methods. First, housing associations – and their tenants – are on the sharp end of neighbourhood failure. Therefore, they need to know what works

and what does not work in neighbourhood regeneration. Housing associations have strong, long-term invested interests in the effectiveness of any action taken to improve the quality of life in a neighbourhood and the quality of the governance network that develops and delivers these actions.

The challenge is not the availability of evaluation methods, but the discipline and the commitment of network actors using them. To illustrate this, the following textbox presents a framework that could be used for a more integrated evaluation.

Example: Towards a more holistic evaluation of governance network outcomes in neighbourhood regeneration.

This research found that decision-making dynamics in governance networks can lead to outcome assessments that are dominated by the satisfaction of the most powerful actors involved. This mode of outcome assessment often provides very little insight into how specific interventions contributed – or failed to contribute – to solving neighbourhood problems and meeting local community needs. This research also found a reluctance to undertake evaluations and a tendency to 'cherry pick' yardsticks that would place outcomes in the most positive light. This calls for instruments that facilitate a more comprehensive assessment of network outcomes.

One could state that this is 'a fact of life' in network decision-making and that network actors cannot be coerced into using these instruments. However, this research highlighted that housing associations in particular have many reasons to champion methods that support more holistic evaluations of governance network outcomes – not in the least because they are at the forefront of failed neighbourhood initiatives.

Housing associations are faced with diverging – and sometimes conflicting – expectations and demands on their limited resources. They need tools to be accountable to stakeholders and their demands: to explain their actions and the outcomes these actions delivered. They also need methods to capture lessons on how the governance network was able to cope with cognitive, strategic and institutional uncertainties – especially in the context of increasing network complexity.

The evaluation framework presented in this textbox is based on the findings of this research. It is an adapted version of the classic 'input, throughput, output and outcome' framework used in management and public administration research and policy evaluation (W.K. Kellogg Foundation, 2004; Deuten & De Kam, 2005; Deuten, 2007). It does not contain any new or revolutionary concepts.

This particular framework [see Table 9.1] is inspired by the 'Logic Model', which aims to evaluate the effectiveness and success of programmes. The Logic Model includes a visual representation of the connections between inputs and outputs and is therefore very suitable for use in multiple actor programme evaluations. The framework relies on the principles of clear accountability with respect to stakeholder input and plausible assumptions about how and why a programme will solve a particular problem, generate new possibilities and make the most of valuable assets (Innovation Network, n.d.; Millar, Simeone, & Carnevale, 2001; W.K. Kellogg Foundation, 2004a, 2004b).

This approach to accountability and evaluation can be enhanced through the comparison of *ex-ante* plans and expectations (planned activities and expected outcomes) with *ex-post* results (activities, outputs, outcomes and impacts delivered).

Similar methods have been used as part of an action-learning project (2008-2010) on neighbourhood-focused housing associations to visualise inputs, activities and outcomes using the 'Outcome Arena' model (Van Bortel and Van Overmeeren, 2011; Mullins, Van Bortel, & Pethia, 2010). The development of the Outcome Arena was commissioned by former Experimental Social Housing body the SEV, now part of Platform31, as an instrument to support dialogue with stakeholders on neighbourhood interventions.

	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
	Input	Activities	Resources	Output	Outcome	Impact
Result	This is what you told us	This is what we did	This is what we used	This is what we delivered	This is what we achieved	This has been the impact on the governance network
Yardstick for success	Quality of stakeholder involvement Stakeholder satisfaction (process)	Activities Projects	Budgets, time, man power	Tangible results	Societal outcomes Stakeholder satisfaction (outcome)	Network outcomes (cognitive, strategic and institutional learning)

TABLE 9.1 Six accountability steps to increase housing association accountability

**Epilogue: the future role of housing associations
in neighbourhood regeneration networks**

The rise and fall of the 'Dutch Model'

Following cases of fraud and mismanagement, the governance, mandate and legitimacy of Dutch housing associations became the subject of public debate and scrutiny. Some of the incidents were related to the activities of housing associations in neighbourhood regeneration; for example, the transformation of a former cruise ship, the SS *Rotterdam*, into a vocational training centre and neighbourhood hub in Rotterdam (House of Representatives of the Netherlands, 2014b). This culminated in the establishment of a Parliamentary Enquiry on Housing Associations in 2012. A Parliamentary Enquiry is the highest level investigatory instrument that the Dutch Parliament has at its disposal. In this case, dozens of leading figures from the social housing sector and government agencies were scrutinised and held accountable during public hearings in 2014 that investigated the flaws in the governance structure of the Dutch social housing sector. In October 2014, the committee presented its final report 'Ver van huis' ('Lost its bearings') (House of Representatives of the Netherlands, 2014a). The report concluded that trust in the Dutch social housing sector was damaged due to several factors: there was an over-dependence on the moral compass of housing associations themselves; housing associations lacked a clear mandate and behaved in overly ambitious and risky ways; and the sector suffered from inadequate governance and insufficient countervailing powers.

Parallel to – and closely aligned with – the Parliamentary Enquiry, the national government was already working on a Revised Housing Act. After a long legislative process, the Revised Housing Act was unanimously adopted by Parliament in early 2015 and came into force on 1 July 2015. The Revised Housing Act will have profound implications for the role of housing associations in neighbourhood regeneration (see textbox below).

Measures included in the 2015 Revised Housing Act related to the role of Dutch housing associations in neighbourhood regeneration

— More influence of local authorities and tenants on the activities of housing associations
— Restrictions on community investments (e.g. investments in neighbourhood facilities)
— Activities to improve quality of life in neighbourhoods should be closely aligned with local authority policies
— Liveability expenditure will very probably be maximised to €125 per dwelling, per year
— Stricter rules for investments by housing associations in the private rental sector and owner-occupied housing

A new role for housing associations in neighbourhood regeneration networks

The combination of a restricted mandate and scarcer resources will very probably lead to a different role for Dutch housing associations in neighbourhood regeneration networks. Housing associations will become less powerful actors in governance networks. Diminished power does not necessarily mean diminished importance. This research provides several reasons for why housing associations should remain active in vulnerable neighbourhoods.However, the 2015 Housing Act offers very little support for such a role and restricts the mandate of housing associations in relation to neighbourhood regeneration, even including very detailed restrictions, such as the maximum amount of money housing associations can spend on liveability activities (see textbox above).

The argument for a significant role for housing associations in neighbourhood regeneration networks is at odds with the agenda of the current national government, the content of the new Housing Act and recent actions of many housing associations, who feel compelled to focus exclusively on their core business. A focus on people and places has been replaced by a focus on property management. In many areas, this may be perfectly adequate, but this is probably not the case in the most deprived areas. More focus is excellent, but housing associations should beware that they do not put on blinkers.

Housing associations are among the most prominent frontline agencies supporting vulnerable people and places. Through their housing stock they are literally 'anchored' in the most deprived communities. Housing associations underestimate the importance of their role in regeneration networks in these vulnerable neighbourhoods. They should not see themselves as a 'jack of all trades' in the neighbourhood, but as an actor that helps to develop and maintain well-functioning and stable regeneration networks that vulnerable neighbourhoods need. The reasons for the active involvement of housing associations in neighbourhood regeneration networks can be summarised in five key points:

1   Housing associations can provide a stable stream of neighbourhood investment
2   Housing associations can be the long-haul champion that neighbourhoods and local residents need
3   Housing associations can support well-functioning governance networks in neighbourhoods
4   Housing associations can help mainstream the Participation Society
5   Housing associations can be the capable frontline system agency that vulnerable neighbourhoods need

1 Housing associations can provide a stable stream of neighbourhood investment

Housing associations in the Netherlands own one-third of the total housing stock. In deprived neighbourhoods, often more than 70% of the properties are owned by housing associations. The value of these assets amounts to billions of euros. Annually, hundreds of millions of euros are invested in housing maintenance, refurbishment and new housing construction. This asset base, and the level of money channelled into neighbourhoods, makes housing associations an influential force in relation to improving the quality of life in neighbourhoods. Ideally, the allocation of these resources should not be decided by the housing associations alone, but in close collaboration with other network actors to achieve maximum impact. Housing associations can help maintain a steady flow of resources and work opportunities in these neighbourhoods, and act as a safety valve to prevent resource cataclysm or resource drought.

2 Housing associations can be the long-haul champion that neighbourhoods and local residents need

This research demonstrated that housing associations can sustain their commitment to neighbourhoods in good and in bad times. Lozells and De Hoogte became better places as a result of the neighbourhood regeneration activities, but both areas and many residents are still vulnerable and likely to remain so in the future. This highlights the continuous nature of neighbourhood regeneration. The decision-making arenas examined in the case studies were contingent on policy arenas that had been established earlier, and will very probably be transformed into new arenas in the future. It is clearly a long-term *process*, not a quick-win *project*. To quote Jane Jacobs: 'Neighbourhood regeneration is a job that cannot begin too soon. But on the other hand it is also a job that is never over and done with, and never will be, in any given place' (Jacobs, 1961, p. 294).

In this respect, it would be prudent of housing associations not to forget the civil society roots of their sector. They are autonomous not-for-profit organisations that can make independent judgements. Yes, housing associations have strong bonds with the government, and may in future become more dependent on market dynamics. However, in the end, these connections do not define the essence of what constitutes a housing association. Ultimately, these connections are a means to an end. The end is to support vulnerable people who often live in deprived communities.

3 Housing associations can support well-functioning governance networks in neighbourhoods

Neighbourhoods need vibrant networks to solve problems, and actors who can help build and sustain these networks. In this research, decision-making interactions mainly played out between the government, housing associations and other third sector organisations. In retrospect, the number and variety of actors in the networks was rather limited: residents and market actors were not full members of the network.

The resources are no longer available to sustain top-down approaches to neighbourhood regeneration. This does not mean that vulnerable areas and vulnerable people no longer exist. They still do. Housing associations not only play an important role in championing these areas (as discussed in the previous point), they can also help strengthen governance networks to include the actors and the resources needed to improve the quality of life in vulnerable areas.

Housing associations have become more dependent on private sector actors for neighbourhood regeneration investments. As a result of the Participation Society agenda, residents will become more important as co-producers of neighbourhood regeneration. Housing associations can help secure a more robust position for residents and market actors in the network. Traditionally, housing associations have invested in deprived communities. They know this part of the housing market and have developed mechanisms to deal with the risks and challenges involved. This expertise could open up investment opportunities for private sector actors who would otherwise have overlooked this specific segment of the housing market. This will require long-term partnerships between housing associations and private sector actors, not one-off transactions.

4 Housing associations can help mainstream the Participation Society

Participation Society discourse highlights the need for active and empowered citizens. However, it could very well be that governments, national and local, expect more self-sufficiency from residents than they can muster. In other words, it is very likely that there will be a large group of people for whom participation is less obvious. A large proportion of these people are tenants of housing associations. Housing associations can thus function as an early warning system, to prevent a lack of engagement by local citizens and make independent judgements to champion vulnerable areas and their residents.

The neighbourhood is a promising level for mainstreaming the Participation Society. The 2015 Housing Act contains provisions that support community-based schemes such as housing cooperatives, and strengthens the position of residents in the

governance of housing associations. Using this framework, housing associations could reach out more effectively to residents and policymakers to support tenant initiatives. Housing associations can work with other actors in the network to support residents and help local communities to make the most of their latent energy, talents and local knowledge.

5 Housing associations can be the capable frontline system agency that vulnerable neighbourhoods need

Housing associations are one of the primary system agencies capable of recognising that people or places are caught in a downward spiral. Each year, housing association staff, or organisations commissioned by them, make millions of house calls. They have more eyes and ears in the neighbourhoods than most system agencies. Additional early warning signals can be generated from their business processes, such as increasing rent arrears, anti-social behaviour, rising resident turnover, increasing vacancies and difficulties in housing lettings, rising housing and estate management costs. Housing associations are now more dependent on others. This might entice them to think more in coalitions and networks. They do not need to undertake action on signals that clearly fall outside their remit, but they could function as a liaison, mediating between system organisations in the network and providing support – without usurping power – to community initiatives in self-management and self-development.

While in the past housing associations focused on the professionalisation of their housing development and finance activities, today the improvement of frontline services is of paramount importance. An active focus on the needs of neighbourhoods can help housing associations to better embed themselves in the life of the community, creating connections with a range of local groups and widening the association's reach to its customers, especially those groups and individuals with whom it is more difficult to engage. Working with local residents will increase the range of staff skills, especially in bridging the incongruities between system and lifeworld, as discussed in Chapter 8.

A cautionary tale

This research ends at a crucial moment for both Dutch *and* English housing associations. While Dutch housing associations are looking for a new identity and renewed sources of legitimacy within a more restricted mandate, the English National Housing Federation's (NHF) strategic vision on the position of English housing associations appears imbued with confidence:

We [housing associations] are independent social enterprises – the best, longest established, social enterprises in the country. We create profit for a purpose and re-invest that for social good. We don't need permission to do that. We can just do it. (NHF, 2014, p. 2)

Dutch housing associations have long operated on the basis of 'We don't need permission, we can just do it' and are now recovering from the worst existential crisis in their history. The future of English housing associations could now look very different from the elated NHF vision presented in 2014, after the Conservative Government announced the extension of the Right to Buy scheme to include housing association tenants (Cabinet Office, 2015), and the first Conservative budget, presented in July 2015, included four years of rent reductions for housing associations (HM Treasury, 2015). Both measures restrict the contribution that housing associations can make to affordable housing and neighbourhood renewal. This demonstrates that the role of housing associations is part of a never-ending series of policy games.

The housing associations in the case study areas demonstrated a long-term commitment to the quality of life in these neighbourhoods. They maintained this commitment while keeping a keen eye on their business interests in order to safeguard the value and market position of their housing stock, and with a concern for the public image of their organisations.

It remains to be seen whether housing associations are able and willing to maintain such a commitment to vulnerable neighbourhoods. In both countries, social housing landlords are increasingly dependent on private sector finance. Housing associations need to comply with private sector requirements, while simultaneously complying with government expectations and regulations. There is a clear and present danger that housing associations will conform to market and political pressure and retreat from the support of vulnerable people and places to a focus on a narrow and very basic set of landlord activities.

I hope that housing associations will be able to maintain their commitment to vulnerable neighbourhoods, even when this is out of vogue, and will further develop their connections with local communities and individual residents. The research therefore ends with a cautionary tale. The moral of the following century-old fable is that the behaviour of some creatures, some people and some organisations is irrepressible, no matter what the consequences. It is my firm belief that the future of housing associations is irrevocably connected to the future of vulnerable people and communities. Peril faced by one would bring peril to the other, but unlike the scorpion, housing associations have a choice.

FIGURE 9.5 *Source: An 1847 illustration of 'The Scorpion and the Turtle' from the Persian Kalilah and Dimn*

A scorpion asks a turtle to carry him across a river. The turtle is afraid of being stung during the trip, but the scorpion argues that if it stung the turtle, the turtle would sink and the scorpion would drown. The turtle agrees and begins carrying the scorpion, but midway across the river the scorpion does indeed sting the turtle, dooming them both. When asked why, the scorpion explains that this is simply its nature.

This fable appears in different variants in several African and European folk tales, with the earliest versions dating from the fifth century BC in Babylonia. See for example: The Phantom Publisher (2010), The Lady Frog and the Scorpion. *Wellington, Phantom House Books.*

References

Altair. (2014). *Cosmopolitan Housing Group Lessons Learned*. London: Altair.

Anderson, P. (1999). Complexity theory and organisational science. *Organisation science, 10*(3), 216–232.

Audit Commission. (2011). *HMR Strategic review 2010 Urban Living*. London: Audit Commission.

Aedes. (2014). *De Balans Hersteld* [The Balance Restored]. Den Haag: Aedes

Be Birmingham. (2011). Be Birmingham Executive Board Brief: March 2011. Birmingham: Be Birmingham.

Birmingham City Council (BCC). (2011a). *Index of Deprivation 2010 – an analysis of Birmingham local statistics.* Birmingham: Birmingham City Council.

Birmingham City Council (BCC). (2011b). *Perry Barr Constituency Economic and Employment Profile.* Birmingham: Birmingham City Council.

Birmingham City Council (BCC). (2012). *Aston, Lozells and Newtown Area Action Plan*. Birmingham: Birmingham City Council.

Black Radley. (2007) *Lozells Disturbances Summary Report.* Birmingham: Black Radley.

Beekers, W. (2012). *Het bewoonbare land, Geschiedenis van de volkshuisvestingsbeweging in Nederland.* [The habitable land, History of the sociale housing movement in the Netherlands]. Amsterdam: Boom.

Ministry of Internal Affairs and Kingdom Relations. (2011). *Brief aan Tweede Kamer over Wijkenaanpak en Vogelaarheffing, 28 januari 2011.* Den Haag: Ministerie van Binnenlandse zaken en Koninkrijksrelaties.

Cabinet Office. (2010). *Big Society overview* http://www.cabinetoffice.gov.uk/content/big-society-overview. Accessed 15-02-2011.

Cabinet Office. (2015). *Queen' s Speech 2015* https://www.gov.uk/government/speeches/queens-speech-2015. Accessed 8-08-2015

Cohen, M.D., March, J.G., & Olsen, J.P. (1972). A garbage can model of organizational choice. *Administrative Science Quarterly, 17*(1), 1-25.

CUDOS. (2007). *Active Communities in Housing. Enabling Diversity in Housing Design: meeting the needs of communities. North Lozells and Handsworth Neighbourhood Intervention Project, Midland Heart.* Birmingham: CUDOS.

Davies, J. (2011). *Challenging governance theory, for networks to hegemony*. Bristol: The Policy Press.

De Bruijn, J.A., & Ten Heuvelhof, E.F. (1991). *Sturingsinstrumenten voor de overheid; over complexe netwerken en een tweede generatie sturingsinstrumenten* [Steering instruments for the state, on complex networks and second generation steering instruments]. Leiden: Stenfert Kroeze.

De Jong, R. (2013). *De Balans Verstoord* [The Balance Distorted]. Den Haag: Aedes

De Huismeesters. (2009). *Ondernemingsplan De Huismeesters, 2009* [Business Plan]. Groningen: De Huismeesters.

Deuten, J. and De Kam, G. (2005). *Weten van Renderen* [Overview of methods on Societal Return on Investments]. Eindhoven/Glimmen: SEV.

Deuten, J. (2007). *Praktijkboek Maatschappelijk Rendement* [Briefing on Societal Return]. Rotterdam: SEV.

Experian. (2007). *Baseline Statistical information Lozells*. mentioned in Midland Heart *Radnor Road Neighbourhood Regeneration Project Details*. Birmingham: Midland Heart.

Geertz, C. (1976). From the native's point of view. In K.H. Basso & H.A. Selby (Eds.) *Meaning in anthropology* (pp. 221-237). Albuquerque: University of New Mexico Press.

Geertz, C. (1988). *Works and lives: The Anthropologist as author*. Stanford, C.A: Stanford University Press.

Groningen Audit Commission. (2011). *Onderzoek Krachtwijken [Evaluation Empowered Neighbourhoods Program]*. Groningen: Gemeente Groningen.

Groningen Local Authority. (2013a). *Brief aan gemeenteraad 'Toekomst samenwerking gemeente – corporaties*. [Letter to the City Council on the future collaboration between the Groningen local authority and housing associations] 18 September 2013.

Groningen Local Authority. (2013b). *Monitor Leefbaarheid en Veiligheid 2012* [Neighbourhood Liveability and Safety Monitor 2013]. Groningen: Gemeente Groningen.

Groningen Local Authority. (2007a). *Wijkactieplan De Hoogte* [Neighbourhood Action Plan De Hoogte]. Groningen: Gemeente Groningen.

Goldsmith, M. (2002). Central Control over Local Government - A Western European Comparison. *Local Government Studies, 28*(3), 91 – 112.

Gruis, V., & Van Bortel, G.A. (2007). Bedrijfsconcepten in beeld. Essay over positioneringsmodellen voor woningcorporaties, PDF-reeks, nr. 12 Aedes Kennisplatform Maatschappelijk Ondernemen [Business Concepts in Focus. Essay on Housing associations' Positioning Models]. Hilversum: Aedes.

Gulliver, K., Handy, C., & Morris, J. (2014). Beacons of Hope. The Historic Role of Housing Associations Taclking-Poverty, Disadvantage & Inequality. Birmingham: HumanCity.

Habermas, J. (1981) *Theorie des kommunikativen Handelns*; Band 2, Frankfurt am Main, Suhrkamp.

Haffner, M.E.A., Elsinga, M. & Van Bortel, G.A. (2008). *Stedelijke vernieuwing: spel zonder scheidsrechter* [Urban renewal: game without arbitrator]. In A. Ouwehand, R. van Kempen, R. Kleinhans & H. Visscher (Eds.), *Van wijken weten. Beleid en praktijk in de stedelijke vernieuwing* [Neighbourhood knowledge, Policy and Practice in Urban Renewal] (pp. 170-181). Amsterdam: IOS Press.

Hidding, B. (2011). Bewoners van De Hoogte moeten aan de bak [Residents of De Hoogte should become more involved]. *Spijkerhard, Juli 2011, 25*(2), 5.

HM Treasury. (2015). *Summer Budget 2015*. London: HM Treasury.

Hoekstra, J., & Boelhouwer, P. (2014). Falling between two stools? Middle-income groups in the Dutch housing market. *International Journal of Housing Policy, 14*(3), 301-313.

Holland, J.H. (1998). *Emergence: from chaos to order*. New York: Perseus Books.

Home Office. (2014). P*roviding Employement and training opportunites for offenders. Growing sustainable work integration social enterprises. Case study 17*. Midland Heart. London: Home Office.

Homes & Community Agency (HCA). (2009). *Single Conversation Guidance Framework*. London: HCA.

House of Representatives of the Netherlands. (2014a). *'Ver van Huis', Rapport Parlementaire enquête Woning-corporaties* [Far from Home, Report Parliamentary Enquiry Housing Associations]. The Hague: House of Representatives of the Netherlands.

House of Representatives of the Netherlands. (2014b). *Rapport Parlementaire enquête Woningcorporaties, Deelrapport Casussen* [Report Parliamentary Enquiry Housing Associations, Cases sub report]. The Hague: House of Representatives of the Netherlands

Jeffares, S., & Skelcher, C. (2011). Democratic Subjectivities in Network Governance: A Q Methodology Study of English and Dutch Public Managers. *Public Administration, 89*(4), 1253–1273.

Jacobs, J. (1961/1989). *The Death and Life of Great American Cities*. New York: Vintage Books.

Jones, P. (2014) *Balancing the books: Can housing associations afford to continue investing in communities?* [powerpoint presentation held at HSA Conference in York 2014]

Kampen, T., Verhoeven, I., & Verplanke, L. (Eds.) (2013) *De affectieve burger. Hoe de overheid verleidt en verplicht tot zorgzaamheid* [The affective citizen. How the government seduces and coerces citizens into providing care and support]. Amsterdam: Van Gennep.

Keats, R., & Mandell, M. (2009). *Learning, Language and Leadership: Conduits to dynamic public service*. Paper presented at the International Research Society for Public Management, Conference Copenhagen Business School, 6-8 April 2009

Keast, R., Mandell, M., & Brown, K. (2007). Getting the Right Mix: Unpacking Integration Meanings and Strate-gies. *International Public Management Journal. 10*(1), 9–14.

Heijkers, B., Van der Velde, J., & Wassenberg, F. (Eds.) (2012) *Toekomst stedelijke vernieuwing na 2014* [Future of urban renewal after 2014]. Rotterdam: KEI and NICIS Institute.

KEI & NICIS Institute. (2012). *Stedelijke vernieuwing op uitnodiging* [Urban Renewal on Invitation]. Rotterdam: KEI and Nicis Institute.

Klijn, E.H., & Koppenjan, J. (2012). Governance network theory: past, present and future. *Policy & Politics, 40*(4), 587–606.

Klijn, E.H., & Skelcher, C. (2007). Democracy and governance networks, compatible or not? *Public Administra-tion, 85*(3), 587–608.

Klijn. E.H., Steijn, B., & Edelenbos, J. (2010). The impact of network management on outcomes in governance networks. *Public Administration, 88*(4), 1063–1082.

Klijn E.H., & Koppenjan, J. (2000). Public Management and Policy Networks: Foundations of a Network Ap-proach to Governance. *Public Management, 2*(2), 135-158.

Koppenjan, J., & Klijn, E.H. (2004). *Managing Uncertainties in Networks*. London: Routledge.

Mabey, C., & Freeman, T. (2010). Reflections and leadership and place. *Policy Studies, 31* (4), 505-522.

Manzi, T. (2015). The Big Society and the Conjunction of Crises: Justifying Welfare Reform and Undermining Social Housing. *Housing Theory and Society, 32*(1), 9-24.

Mathur, N., & Skelcher, C. (2007). Evaluating Democratic Performance: Methodologies for Assessing the Rela-tionship between Network Governance and Citizens. *Public Administration Review, 67*(2), 228-237.

Muir, J., & Mullins, D. (2015). The Governance of Mandated Partnerships: The Case of Social Housing Procure-ment, *Housing Studies. doi: 10.1080/02673037.2014.995070.*

Mullins, D., & Rhodes, M.L. (2007) Editorial special Issue on Network Theory and Social Housing. *Housing Theory and Society, 24*(1), 1-13.

Mullins, D. (2006). Exploring Change in Housing Associations using the Delphi method. *Housing* Studies, 21(2), 227-251.

Mullins, D., Van Bortel, G., & Pethia, S. (2010). *Close neighbours not distant friends: what has been learned about neighbourhood focused housing associations in England and the Netherlands*. Paper presented at the 2011 ENHR Conference in Istanbul.

Mullins, D., Milligan, V., & Nieboer, N. (2014). *Between State and Market – Non-Profit Housing Organisations in Three National Contexts*. Paper presented at the European Network for Housing Research Conference, Edinburgh 2014.

National Housing Federation (NHF). (2014). *Ambition to Deliver – Housing associations unbounded*. London: National Housing Federation.

Nieboer, N., & Gruis, V. (2014). Shifting back – changing organisational strategies in Dutch social housing. *Journal of Housing and the Built Environment*, *29*(1), 1-13.

O'Toole, L.J., Walker, R.M., Meier, K., & Boyne, G. (2007). Networking in comparative context: public managers in the USA and the UK. *Public Management Review*. Vol (3), 401–20.

Priemus, H. (2014) Is the landlord levy a threat to the rented housing sector? The case of the Netherlands. *International Journal of Housing Policy*, *14*(1). 98-106

Priemus, H., & Gruis, V. (2011). Social housing and illegal state aid: The agreement between European Commission and Dutch Government. *International Journal of Housing Policy*, *11*(1), 89-104.

Rees, J., Mullins, D., & Bovaird, T. (2012). *Partnership Working. Research Report (88)* Birmingham: Third Sector Research Centre

Rhodes, M.L. (2007). Strategic Choice in the Irish Housing System: Taming Complexity, *Housing, Theory and Society, 24*(1), 14 – 31.

Rhodes, M.L., & Van Bortel, G. (2007). *Comparing Housing Networks, Issues and Opportunities.* Proceedings Comparative Housing Policy Seminar 2007. Dublin: University College Dublin.

Sieckelinck, S., Van Buuren, S., & El Madkouri, H. (Eds.) (2013). *Onbevoegd Gezag* [Unmandated authority]. Den Haag: Boom Lemma.

Skelcher, C. & Sullivan, H. (2008). Theory-driven approaches to analysing collaborative performance. *Public Management Review, (10)*6, 751-771.

Skelcher, C., Sullivan, H., & Jeffares, S. (2013). *Hybrid Governance in European Cities: Neighbourhood, Migration and Democracy*. Basingstoke: Palgrave McMillan.

SocioQuest. (2013). *Toekomst wijkteams, wijkbudgetten en wijkperspectieven, Nieuw Lokaal Akkoord* [The Future of Neighbourhood Team, Neighbourhood Budgets and Neigbourhood Perpectives, *New Local Covenant]*. SocioQuest: Groningen

Sørensen, E., & Torfing, J. (Eds.) (2007). *Theories of democratic network governance*. Cheltenham: Edward Elgar.

Stewart, A. (1998). *The ethnographer's method*. London: Sage Publications.

Sullivan, H., & Skelcher, C. (2002). Citizens collaboration and participation [chapter 9] In H. Sullivan & C. Skelcher *Working Across Boundaries: Collaboration in Public Services (pp. 162-184)*. Basingstoke: Palgrave Macmillan.

Tammaru, T., Marcińczak, S., Van Ham M., & Musterd, S. (2016). *Socio-Economic Segregation in European Capital Cities. East meets West.* Abingdon (UK) / New York: Routlegde.

Teisman, G. (1992). *Complexe Besluitvorming: Een Pluricentrisch Perspectief of Besluitvorming over Ruimtelijke Investeringen*. [Complex Decision Making: A Pluricentrisch Perspective of Spatial Decision-making on investments]. Gravenhage: Vuga.

Tilly, C. (2006), *Why? What happens when people give reasons ... and why*. Princeton: Princeton University Press.

Tonkens, E., & De Wilde, M. (Eds.) (2013). *Als meedoen pijn doet. Affectief burgerschap in de wijk* [When participation hurts, Affective citizenship in neighbourhoods]. Amsterdam: Van Gennep.

Thorndike, E.L. (1920). A constant error in psychological ratings. *Journal of Applied Psychology. 4*(1): 25–29, doi:10.1037/h0071663.

Urban Living. (2011). *Urban Living Review 2003-2011.* Birmingham: Urban Living.

Van Bortel, G. (2011). *From Brick-layers to Life-changers ... and back again? A network governance perspective on the changing role of housing associations in the Netherlands and England in neighbourhood renewal*. Paper presented at the 2011 ENHR conference in Toulouse, 5-8 July 2011.

Van Bortel, G., & Van Overmeeren, A. (2011). Verre vriend of goede buur, Uitdagingen voor buurtgerichte corporaties. [Close neighbour or distant friend, Challenges for Neighbourhood focused housing associations]. Rotterdam: SEV.

Van den Brink, G., Van hulst, M. De Graaf, L., & Van der Pennen, T. (2012). *Best persons, en hun betekenis voor de Nederlandse achterstandswijk.* [Best Persons, and their significance for Dutch deprived neighbourhoods]. Den Haag: Uitgeverij Boom Lemma.

Van der Lans, J. (2012). *Loslaten, Vertrouwen en Verbinden, over Burgers en Binding.* [Letting Go, Trust and Connect, on Citizens and Connections]. Amsterdam: Stichting Doen.

Van Hulst, M., De Graaf, L., & Van den Brink, G. (2011). Exemplary practitioners: a review of actors who make a difference in governing. *Administrative Theory & Praxis, 33* (1), 120–142.

Van der Pennen, T., & Van Bortel, G. (2015).Exemplary Urban Practitioners in Neighbourhood Renewal: Survival of the Fittest... and the Fitting. *VOLUNTAS: International Journal of Voluntary and Nonprofit* Organizations. June 2015. DOI: 10.1007/s11266-015-9600-4.

Van Triest, N., & Schreuders, H. (2014). *De toepassing van het DrieKamerModel* [The application of the Three Chamber Model]. The Hague: Platform31.

Verbraeken, H. (2014). *De Vrije Val van Vestia.* [The free-fall of housing association Vestia]. Amsterdam: Business Contact.

W.K. Kellogg Foundation. (2004). *Logic Model Development Guide.* Battle Creek, MI: W.K. Kellogg Foundation.

VNG and RIGO. (2014). *Betaalbaar van het Wonen [Housing Affordability]. The Hague:VNG, Amsterdam: RIGO.*

WRR (Scientific Council for Government Policy). (2014). *Van tweeluik naar driehoeken* [From diptych to triangles]. Amsterdam: Amsterdam University Press

WRR (Scientific Council for Government Policy). (2012). *Vertrouwen in de Burger* [Confidence in the Citizens]. SDU: Den Haag.

WWI (Ministry of Housing, Neighbourhoods and Integration). (2007) *Actieplan Krachtwijken* [Actionplan Empowered Neighbourhoods]. Den Haag: WWI.

Zijlstra, S., & Van Bortel, G. (2014). *Will Scale finally deliver? Overcoming the crisis: are Dutch housing associations able to deliver better value for money?* Paper presented at the ENHR 2014 conference in Edinburgh, UK.

PART 4 Appendixes

HOUSING HERO 4:

There is only one country: earth

There is only one people: humanity

There is only one religion: love

Floor Wibaut (1859-1939), socialist alderman for housing, Municipality of Amsterdam[26]

.

---

26   The Amsterdam Municipality used Floor Wibaut's quote in its obituary commemorating the crash of Malaysia Airlines flight MH17 on 17 July 2014 over Ukraine that killed all 298 people on board.

TOC

List of figures

Appendix B List of tables

Overview of actors and interviewees

FIGURE 9.6 Overview of main actors in the Birmingham case study

Lozells, Birmingham, England

NAME		FUNCTION	ORGANISATION	INTERVIEW(S)
Government (local and national)				
1	Deborah Burke	Regeneration manager	Birmingham City Council	2010 and 2011
2	Mark English	Housing service manager	Birmingham City Council	2010 and 2011
3	Kate Foley[2]	Neighbourhood Manager for Lozells	Birmingham City Council	2009 and 2010
4	Kate Foley[2]	Regeneration officer	Urban Living	2011
5	Gillian Loyd	Neighbourhood Manager for Lozells	Birmingham City Council	2010
6	Baggi Mattu[2]	Regeneration officer	Homes and Community Agency (HCA)	2010
7	Mark Thompson	Officer / Trainee	Homes and Community Agency (HCA)	2008
8	Yvonne Wagner[1]	Ward support officer	Birmingham City Council	2007
Residents				
9	Saaed Saidul Haque	Co-chair Forum Community Activist Social Entrepreneur	Lozells Neighbourhood Forum	2009 and 2010
10	Mahmood Hussain[1]	Ward councillor for East Handsworth and Lozells	Councillor for Birmingham City Council	2007
11	Sister Helen Ryan	Co-chair Forum	Lozells Neighbourhood Forum	2011
12	Waseem Zaffar	Ward councillor for East Handsworth and Lozells	Councillor for Birmingham City Council	2011
Housing Associations				
13	Jo Burrill	Community Involvement Officer	Midland Heart	2011
14	Mary Jane Gunn	Community Involvement Officer	Midland Heart	2009 and 2011
15	Martin Hall	Community Involvement Officer	Midland Heart	2010 and 2011
16	Baggi Mattu[2]	Regeneration officer	Midland Heart	2007, 2008 and 2009

NAME		FUNCTION	ORGANISATION	INTERVIEW(S)
17	Tom Murtha	Chief Operational Officer (2007) / Chief Executive officer (2010)	Midland Heart	2007 and 2010
18	Ashok Patel	Community Investment Officer	Midland Heart	2013
19	Olu Olanrewaju	Manager Urban Heart	Midland Heart	2007
20	Gail Walters	Head of Community Involvement	Midland Heart	2010, 2011 and 2013
Others				
21	Nick Booth	Social media consultancy	Podnosh	2009
22	Steve Botham	Chair	Chamberlain Forum	2009
23	Chris Wadhams	Independent Housing & Regeneration Expert		2008

[1] Interviews conducted by Michael Farrelly. Transcripts used for this research with kind permission.
[2] Kate Foley worked as a Neighbourhood manager for Lozells and moved to Urban Living in 2011. Baggi Mattu worked as a regeneration officer for Midland Heart and moved to the Homes and Communities Agency in 2010.
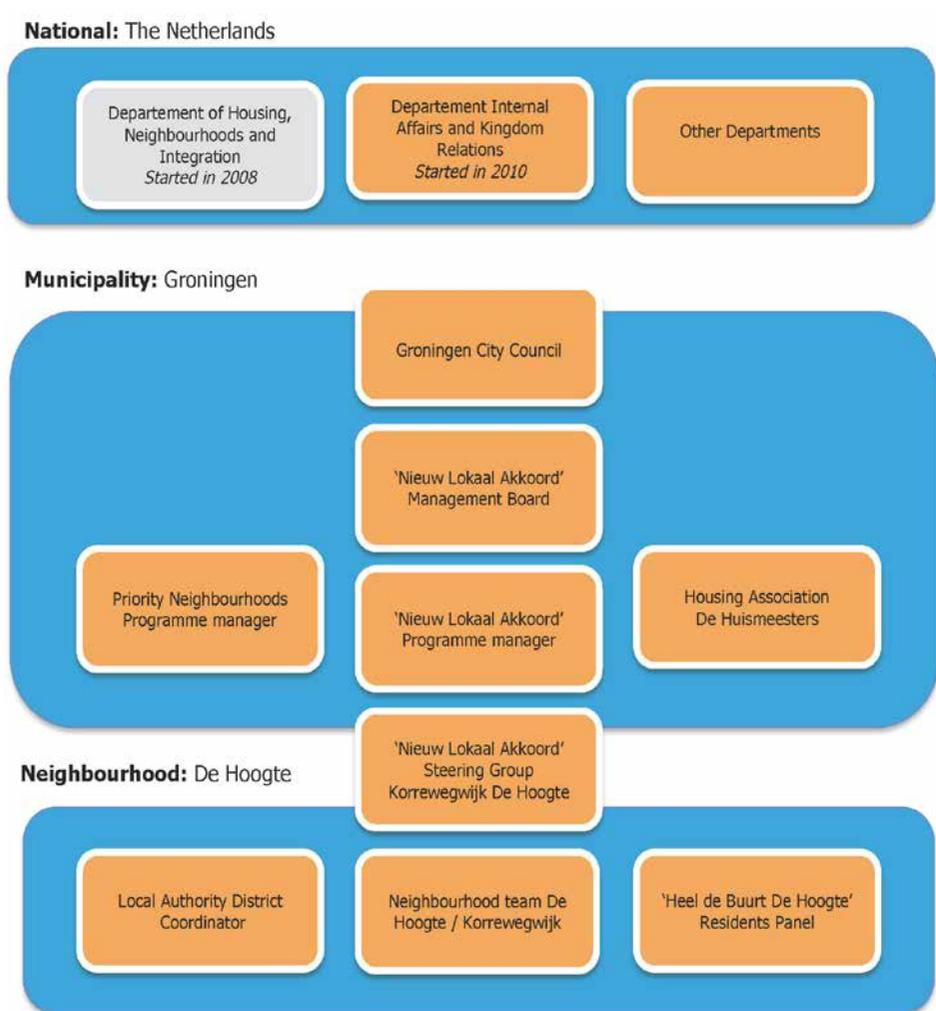
FIGURE 9.7 Overview of main actors in the Groningen case study

De Hoogte, Groningen, The Netherlands

NAME		FUNCTION	ORGANISATION	INTERVIEW(S)
Groningen Local Authority				
1	Chris Niemeijer	Neighbourhood coordinator for De Hoogte and Korrewegwijk	OCSW department, Groningen City Council	2009, 2010 and 2011
2	Rene de Jong	Former District Coordinator in 1980s	City district coordination department, Groningen City Council ('Stadsdeelcoordinatie')	2008 (combined interview with Rene de Jong)
3	Gerard Tollner	Policy officer in 1980s	City district coordination department, Groningen City Council ('Stadsdeelcoordinatie')	2008 (combined interview with Rene de Jong)
4	Liesbeth van de Wetering	District Coordinator ('Old Neighbourhoods')	City district coordination department, Groningen City Council ('Stadsdeelcoordinatie')	2009 and 2011
5	Wouter van Bolhuis	District Coordinator ('Old Neighbourhoods')	City district coordination department, Groningen City Council ('Stadsdeelcoordinatie')	2009
6	Ron Jeukens	Process manager for the development of the Neighbourhood Action Plans in 2007	Commissioned by Groningen City Council	2008
7	Henk Boldewijn	Process manager for the implementation of the Neighourhood Action Plan in 2008	Commissioned by Groningen City Council	2011
8	Kees van der Helm	Programma manager Nieuw Lokaal Akkoord	City district coordination department, Groningen City Council ('Stadsdeelcoordinatie')	2008, 2011 and 2014
9	Frank de Vries	Alderman responsible for housing (2006-2012)	Groningen City Council	2011
10	Teresa Kloosterhuis	Policy officer Nieuw Lokaal Akkoord	Groningen City Council	2011

NAME		FUNCTION	ORGANISATION	INTERVIEW(S)
11	Inge Jongman	Councillor for Christen Unie political party	Groningen City Council, chair of 'Heel de Buurt' overleg	2011
Residents				
12	Alex Spanjer	Resident / Community representative	Member of Plan group for the Tuindorp De Hoogte refurbishment. and 'Heel de Buurt overleg', member of Neighbourhood Team De Hoogte	2009 and 2010
13	Evert Bosscher	Resident / Community representative	Member of Plan group for Tuindorp De Hoogte refurbishment, and 'Heel de Buurt overleg' Neighbourhood Team De Hoogte	June 2011
14	Peter van Pelt	Resident / Community representative	Member of the action group opposing the demolishment of the 48 apartments	2009
15	Linden Douma	Resident / Community representative	Member Neighbourhood Council (Wijkraad) De Hoogte.	2013
Housing Associations				
16	Peter Hillenga	Chief Executive Officer	Housing association De Huismeesters	2009, 2010, 2014 *(2014 combined interview with Henk Zaagman)*
17	Henk Zaagman	Head of Housing Services	Housing association De Huismeesters	2008, 2010, 2011 and 2014 *(2014 combined interview with Peter Hilenga)*
18	Stein van Berkel	Neighbourhood officer	Housing association De Huismeesters	2009, 2010 and 2011
19	Miranda de Locht	Neighbourhood manager	Housing association Lefier (uptil 2010 'In')	2010
20	Mathilde Groeneveld	Housing officer	Housing association De Huismeesters	2011
21	Mireille van der Velde	Housing officer	Housing association De Huismeesters	2011
Community Support				

NAME		FUNCTION	ORGANISATION	INTERVIEW(S)
22	Anja Bos	Community Support officer for De Hoogte	Stiel Foundation	2009
23	Carina de Witte	Community Support officer for De Hoogte	Stiel Foundation	2011
24	Hennie van Beek	Community Support officer	Commissioned by housing association De Huismeesters to support the 'Plangroep' refurbishment Tuindorp De Hoogte	2011

TABLE 9.2 Overview of interviewees

Appendix D   Overview of attended events

Lozells, Birmingham, United Kingdom

NR.	MEETING	DATE
1.	2nd Midland Heart Client Workshop for the development of the Lozells Masterplan	December 2007
2.	3rd Midland Heart Client Workshop for the development of the Lozells Masterplan	January 2008
3.	Public consultation meeting Lozells Masterplan	May 2008
4.	Meeting Mary Jane Gunn (ML, neighbourhood management), Kate Foley (BCC, neighbourhood manager) and a representative of the BCC, housing department	January 2009 (in a pub)
5.	Lozells Neighbourhood Management Board meeting	April 2009 (in a school)
6.	Workshop with Midland Heart officers on the role of housing associations in neighbourhood renewal	November 2010

De Hoogte, Groningen, The Netherlands

NR.	MEETING	DATE
1.	Start of the refurbishment project in De Hoogte	May 2009
2.	Community meeting on the replacement of community center De Borg.	June 2011
3.	Neighbourhood Voting Day Korrewegwijk	October 2011
4.	Neighbourhood Voting Day De Hoogte	November 2011

Appendix E — Actions taken to ensure research quality

Chapter 1 introduced the following criteria to ensure adequate academic research quality: *veracity*, *objectivity* and *perspicacity* [see Table App.E.1 below]. This appendix identifies possible pitfalls of the adopted research approach, and describes the measures used to overcome these difficulties. Following Stewart (1998), coping strategies for each of these research quality criteria have been developed.

QUALITY CRITERIA USED IN THIS RESEARCH	
Veracity	Level of plausibility and accountability of what we have observed.
Objectivity	Level of mitigation of research and researcher bias, and the accountability of research circumstances.
Perspicacity	Level to which research results have been produced that can be applied outside the case study context.

TABLE APP.E.1 Research quality criteria

A Veracity

There are some insurmountable limits to fully understanding decision-making processes. It is simply impossible to observe and track all decision-making events. In addition, not all policy documents, events and actors are accessible to the researcher. Informants are not 'open books' for easy inspection, nor do they necessarily have to speak the truth or reveal all information. Limitations of the researcher due to personal and role constraints constitute additional research challenges: researchers can forget, ignore, mishear and misinterpret.

Research coping strategies to pursue veracity:
— Prolonged fieldwork
— Search for disconfirming observations
— Good participative role relationships
— Attentiveness to speech and interactional contexts
— Multiple modes of data collection
— Repeat and follow up interactions with actors

B   Objectivity

Positivist and quantitative orientated researchers bundle *objectivity* and *consistency* in the goal to attain *reliability* (Stewart, 1998, p. 29). This makes sense if one has the ambition to capture research results that are independent from the researcher, time, social context and research circumstances. However, this does not make much sense for most research projects. It would be too simple to ignore the concept of reliability altogether. Stewart does this by first unbundling objectivity from consistency. Objectivity is a concept that can be useful in research in an ethnographic tradition. Stewart identifies three sub constructs that influence objectivity: 1) bias, 2) replication of research and 3) specification of research circumstances.

The positivist concept of reliability is problematic in qualitative research. Qualitative research is embedded in, and influenced by, a complex social context (see Geertz, 1976, 1988). Describing the context in full will not mitigate this bias, because contexts are not universal or 'given' but actively constructed by actors. There are, however, strategies to minimise bias and support specification, but there are no tactics to enable replication. While replicability is not a precondition for scientific findings, inter-subjective testability is (Hunt, 1991).

Research coping strategies to pursue objectivity:
— Trail of the researchers' path: describing the process through which they have learned
— Respondent validation of research findings
— Invite feedback from outsider informants

C   Perspicacity

Qualitative research aspires to produce applicable insights that can be used in more contexts than that of the case in which the fieldwork took place. Specifying the underlying generic forms of interactions, processes, structures and meanings can attain this objective. Using methods that create insights and help in understanding the non-obvious, supports perspicacity. A challenge to achieve perspicacity is the limited knowledge on the transferability of insights, given that observations are connected to the social and systemic contexts that influence their meaning.

Research coping strategies to pursue perspicacity:

— Intense consideration of empirical case study data
— Extensive exploration of the context of the case study area and search for contingencies
   Chapter 1 presented some strategies to safeguard research quality. The table below contains a critical reflection on how these strategies have been applied in this research.

QUALITY CRITERIA	RESEARCH COPING STRATEGY	ACTIONS UNDERTAKEN IN THIS RESEARCH
Veracity	Prolonged fieldwork	The fieldwork period spanned a 8-year period (from 2007 until 2014). The total time spent in each case study area was approximately one month.
	Search for disconfirming observations	The selection of informants and documents include actors and accounts from various sources: network actors working with local authority, housing associations, community representatives, informed outsiders and actors that had left the network during the field work period.
	Good participative role relationships	Contacts with informants were used to generate possibilities for additional interviews and possibilities to participate in events. While attending meetings the researcher mainly adopted the role of *Peripheral Member Researcher or Active Member Researcher (*Adler and Adler (1987) when the passive observation was considered rather unnatural or unusual (Van Maanen, 1991, p. 31).
	Attentiveness to speech and interactional contexts.	Around 50 of the 70 interviews were transcribed in full. The remaining interviews were summarized or captured in memos. Where relevant, transcripts included comments on the tone of voice used by the informant, short descriptions of the physical and social context of the interviews conducted and meetings attended were given.
	Multiple modes of data collection	This research combined individual interviews, with some group interviews, participant observation of events and desk research. Analysis included social media accounts. This data source that expanded during the fieldwork period.

>>>

QUALITY CRITERIA	RESEARCH COPING STRATEGY	ACTIONS UNDERTAKEN IN THIS RESEARCH
Objectivity	Trail of the researchers path describing the process through which they have learned	The methodology section in chapter 9 contains a summary of the learning experiences of the researcher. The appendixes provide an overview of the informants, the number of interviews conducted and information on attended events.
	Respondent validation of research findings	No explicit validation of research findings took place but draft texts have been presented for comments to key local informants. Their feedback was used to revise texts.
	Invite feedback from outsiders	The study included interviews with outsider informants, i.e. informants that where involved in past decision-making events in the case-study areas in the 1980s and 1990s. Several actors were interviewed that had left the network during the fieldwork period due to a change in job-position.

>>>

QUALITY CRITERIA	RESEARCH COPING STRATEGY	ACTIONS UNDERTAKEN IN THIS RESEARCH
Perspicacity	Intense consideration of empirical case study data	Interview transcripts were coded and analysed using Atlas TI software and a coding list (appendix F) derived from the theoretical framework. This enabled the analysis of phenomena that were mentioned by informants or were found in documents. The coding also facilitated the comparison of data from both case study areas. The added value of the coding was limited. In practise, full text search of interview transcripts and documents using keywords from the coding list provided more flexibility to analyse the data. Emerging ideas about data analysis and interpretation were captured by writing memos and commentaries. Interview transcripts were consulted a second time for the secondary analysis of case study data using Habermas's system and lifeworld concept [see chapter 8].
	Extensive exploration of the context of the case study area and search for contingencies	The context of the case study areas plays and important role in the exploration as described in Chapter 2 and elaborated in various other chapters.

TABLE APP.E.2 Research quality strategies

References

Adler, P.A., & Adler, P. (1987). Membership roles in field research. Newbury Park: CA: Sage.

Van Maanen, J. (1988). Tales of the field: On writing ethnography. Chicago: University of Chicago Press.

Topics list for interviews

This topics list was used for the Birmingham case study. A similar, Dutch language version, was used for interviews in Groningen. The list was also used to code interview transcripts using the qualitative research tool Atlas TI.

1 Network (Research question # 2)

1.1 General information on network composition

1.1.1 In what way are you involved in the regeneration of the Lozells and the North-Lozells master planning in particular?

1.1.2 With which actors [people or organisations] do you interact regularly concerning the regeneration in the Lozells?

1.1.3 How often do you meet, and how are these interactions organised? (formal/informal, regular/irregular, bilateral/multilateral)

1.1.4 What actors are important for the regeneration of the Lozells but are not involved?

1.2 Interdependencies

1.2.1 On what issues/decisions do you need the resources/support of other actors. Who were these actors and what did you need?. (Resources can take very different forms and shapes, like grants, loans, permits, knowledge, land, real estate, active support or passive consent).

1.2.2 On what issues/decisions do other actors need your resources/ support? Who were these actors and what did they need?

1.2.3 How did this influence decision-making?

1.2.4 How did you respond?

1.3 Network dynamics / context [Research question #1]

1.3.1 Did any actor exit or enter the decision-making events?

1.3.2 Were there any statutory changes (e.g. mergers, participation in groups structures, changes is statutory powers)?

1.3.3 Were there any deadlines, timetables that influenced decision-making? If so, in what way?

1.3.4 Did any external developments in your opinion influence the regeneration in the Lozells. If so, how? If necessary ask the following more specific questions?:

A	Political developments;
B	Policy developments;
C	Regulatory developments;
D	Social developments;
E	Economic / (housing) market developments.

2 Actors (Research question #3)

2.1 In what way are you and your organisation involved in the regeneration of the Lozells?

2.2 Why is the regeneration of the Lozells important for your organisation?

2.3 In what way are you involved in the development and/
or implementation of the North-Lozells Masterplan?

2.4 Could you tell me more about your background and that of your organisation?
(only ask this question if Q 2.1 – Q2.3. did not produce enough info)

3 Process / decision-making interactions (Research question #4)

3.1 Issues

3.1.1 What are in your view the main challenges/problems facing the Lozells?

3.2 Goals

3.2.1 What are the objectives of your organisation concerning the regeneration of
the Lozells? (only ask this question if Q 2.4 did not produce enough info)

3.2.2 What actions should be taken to achieve these goals?

3.2.3 In what way do the actions in the North-Lozells Masterplan address these issues?

3.3 Actions

3.3.1 Could you tell me more about recent or ongoing actions/events (e.g. workshops, public
consultation events, meetings, other) you are involved in concerning the generation of
the Lozells in general and the North-Lozells Masterplan in specific? Could you tell me
more about these actions/events?.
The answer should address the following items. Ask additional
questions if necessary and use the name used for the action or event
(e.g. Radnor Road deconversion or North-Lozells masterplan)

A	what was your role?
B	who else participated?
C	who was facilitating / leading (if any) the action/event?
D	what was done or discussed in the action/event?
E	what did you want to achieve with this action/event?

F	could you tell what you did during the action/event?
G	what did other actors do? (pay special attention to Midland Heart)
H	did any of the actors behave in a way that was for you unexpected or dysfunctional? How did this influence decision-making?
I	what were the outcomes of the action/event?
J	what is your opinion on the outcomes of these action/event?
K	(positive/negative, breakthroughs/deadlocks)
L	was there any communication about the action/events with non-participants. If so, what?

3.3.2 Could you tell me more about the way people from different organisations collaborated in these actions/events?

Implicit of explicit rules concerning the following items:

A	were there any actors that started or stopped their participation when the action/event was already ongoing? Why?
B	were there any differences in the influences of participants (dominant vs. weak actors)
C	how are decisions made? (based consensus, consent, decision by a dominant actor)
D	were there any conflicts and if so how where they handled
E	if decisions had to be made, where their any alternative courses of actions criteria to select solutions
F	how do you assess the level of trust or distrust between actors?

3.3.3 Issues concerning the closedness of decision-making:

A	were there any people / organisations deliberately included or excluded from the action/event? Why?
B	were there any actions/events where you wanted to participate but were excluded. If so by anyone in particular?
C	were there moments during actions/events where you felt that your input was ignored?
D	If so could you tell bit more about this? Who ignored your input. How did this influence decision-making? How did you respond?

3.3.4 Issues concerning pluriformity

A	During decision-making on the regeneration of the Lozells, did you encounter situations where representatives or department from the same organisation (BCC, Midland Heart, others?) expressed contradictory opinions/goals.
B	How did this influence decision-making? How did you respond?

3.4 Outcomes (Research question #5)

3.4.1 What tangible results did the regeneration of the Lozells deliver (e.g. new or refurbished housing, social services, economic results)?

3.4.2 What are the effects / outcomes of these results?

3.4.3 How do these results and outcomes relate to your perceptions of the important issues in the Lozells and the objectives of your organisation?

4   Learning outcomes (Research question #5)

4.1   Cognitive learning

4.1.1   In what way (if any) did your views on the problems and
the possible solutions change over time?

4.1.2   To what extend is there a joint view on problems and most viable solutions concerning
the regeneration of the Lozells. Where do the views of actors overlap or differ?

4.1.3   Did your goals concerning the regeneration of the Lozells change over time? Why?

4.1.4   To what extend do your goals concerning the regeneration of the Lozells overlap
with those of other actors? Where do the goals of actors overlap or differ?

4.1.5   To what extend are you satisfied with the overall outcomes
of regenereation of the Lozells? Why or why not?

4.2   Strategic learning

4.2.1   To what extend are you satisfied with the overall decision-making processes
on regeneration of the Lozells? What went well what went not so well?

4.2.2   To what extend have you increased your understanding of objectives
of other actors and the interdependencies between actors.

4.2.3   In what way did decision-making change your ability and the ability
of other actors to effectively deal with conflicts of interest?

4.2.4   How do you assess the transparency, openness and involvement of residents and
politicians concerning decision-making on the regeneration of the Lozells?

4.3   Institutional learning

4.3.1   Did any new relations, partnerships, organisations or other collaborative
or deliberative structures emerge from decision-making to support
future interactions and make them more predictable?

4.3.2   Did any formal or informal new rules or joint language emerge from decision-making?

4.3.3   In what way did the decision-making process change the level of trust between actors?

Figures to update information
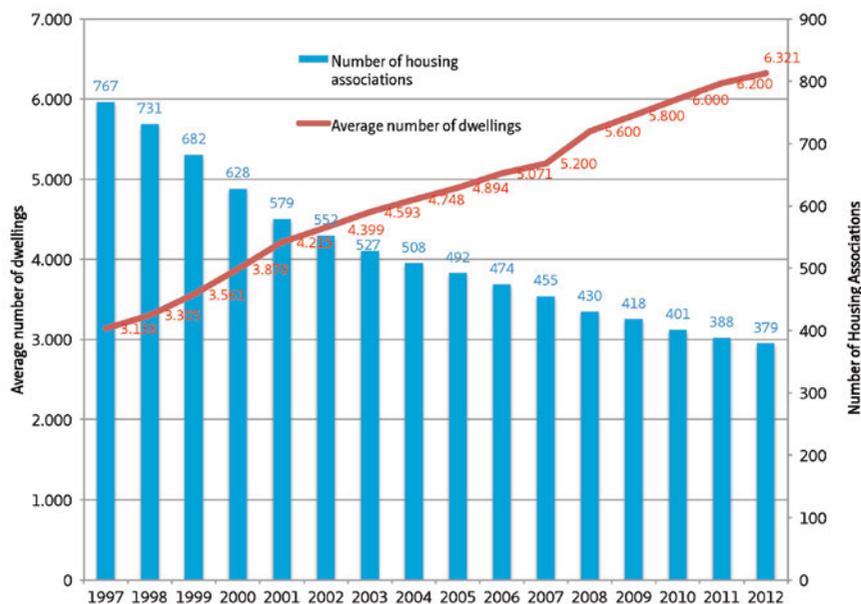in Chapter 4 on Dutch housing
associations size and performance

FIGURE APP.G.1 Number and average size of Dutch housing associations 1997-2012
Source: Zijlstra and Van Bortel (2014). Will scale finally deliver? Overcoming the crisis: are Dutch housing associations able to deliver better value for money? Paper presented at the 2014 ENHR Conference Edinburgh, 1-4 July 2014.
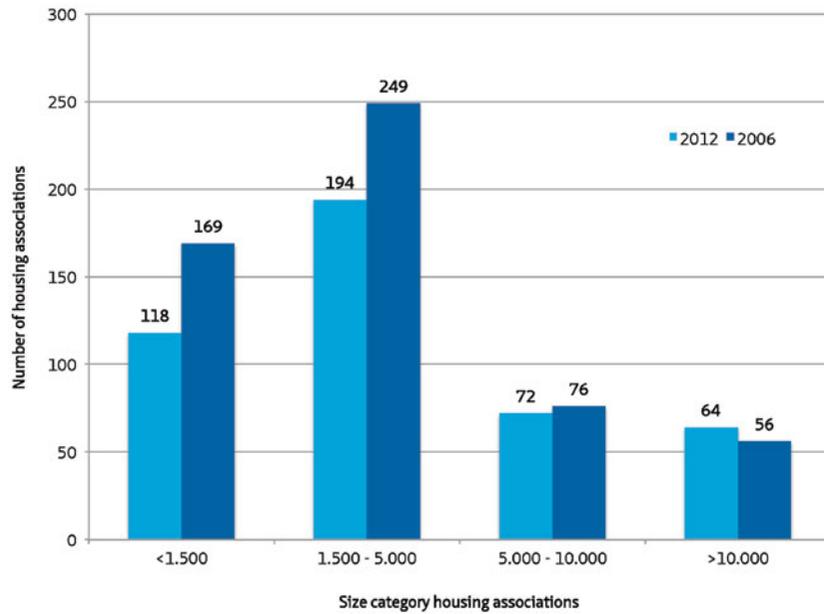
FIGURE APP.G.2 Number of housing associations per size categorie in 2006 and 2012.
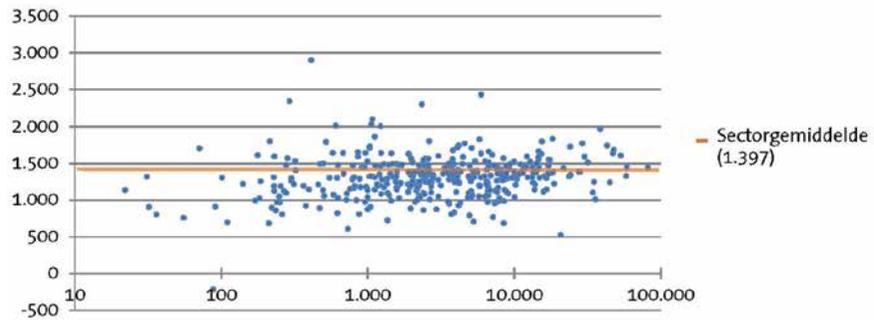
FIGURE APP.G.3 Variation of net operational expenses per housing housing unit in 2012 in euros (y) by organisational scale of the housing association (x). Source: CFV Sectorbeeld 2013, p. 33.
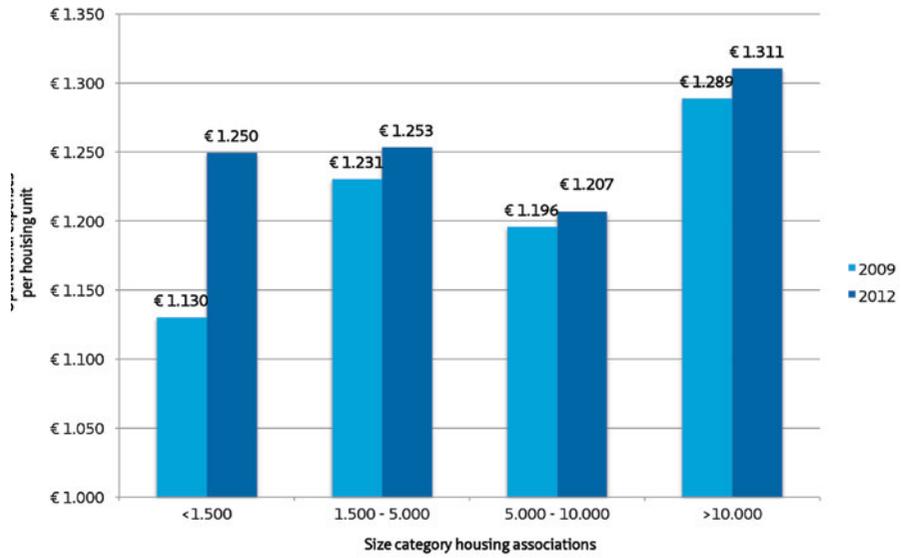
FIGURE APP.G.4 Average net operational expenses per housing unit

Appendix H Social, Economic and Liveability developments in De Hoogte and Lozells

Lozells, Birmingham
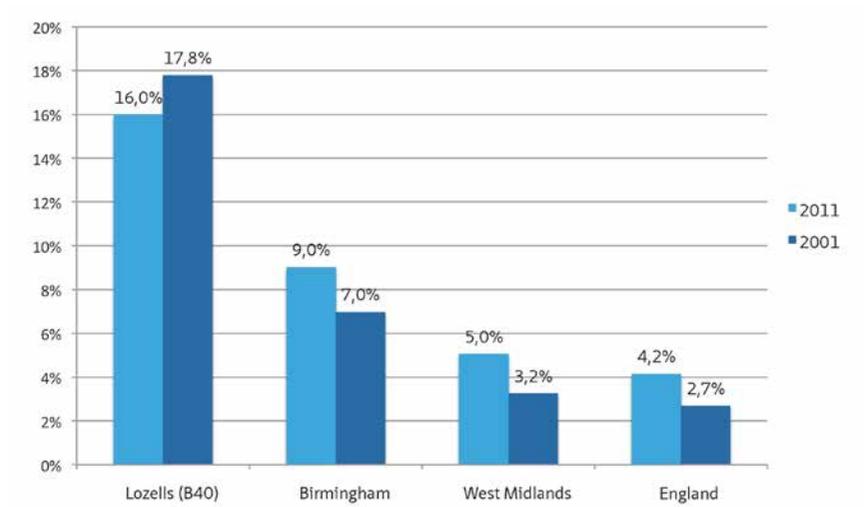
FIGURE APP.H.1 Persons in households with a 'Household Reference Person' that never worked or is long-term unemployed
Source: Office of National Statistics. Census 2011 table code: QS119EW / Census 2001 table code: UV067

Percentage of households by deprivation dimension in 2011

Percentage of households by deprivation dimension in 2001
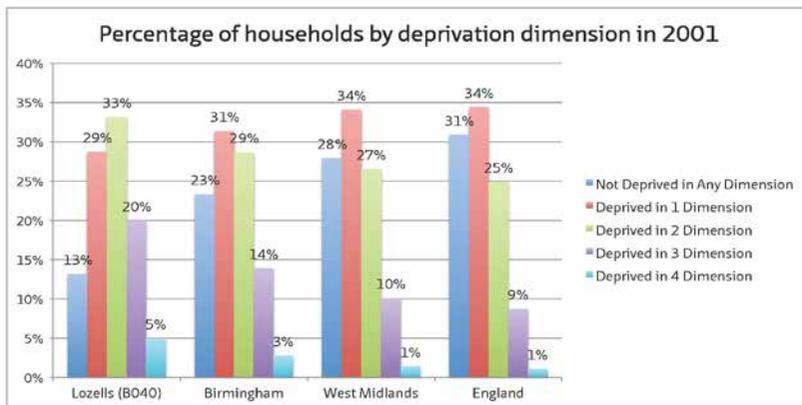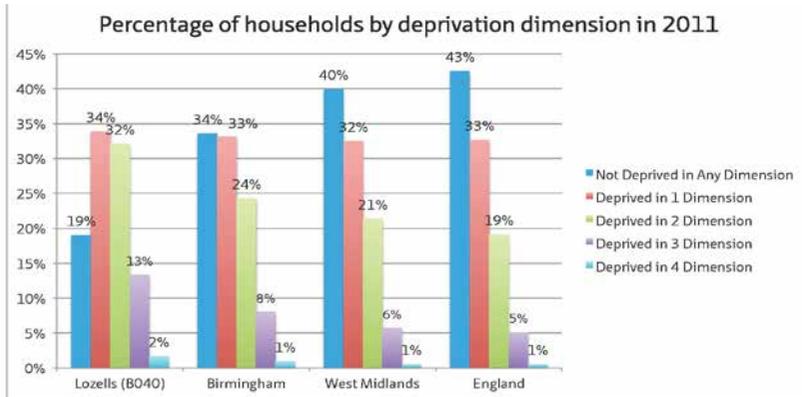
FIGURE APP.H.2 Households and deprivation dimensions (Based on 2001 and 2011 census data)

De Hoogte, Groningen
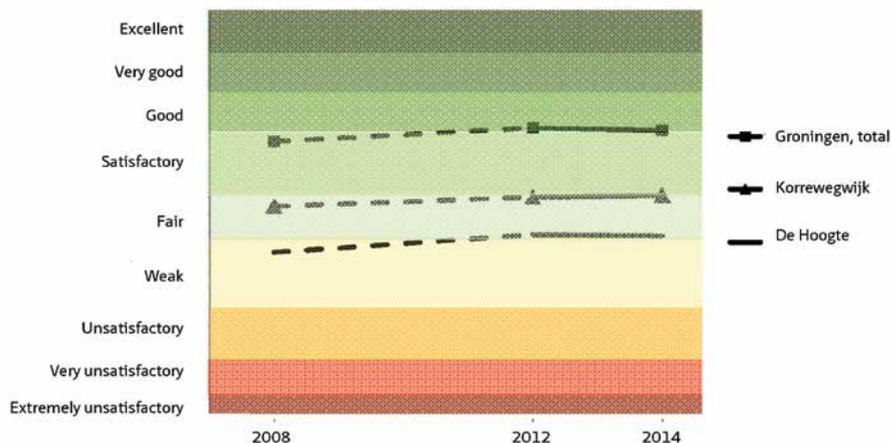
FIGURE APP.H.3 Liveability Assessment for De Hoogte, Korrewgwijk and Groningen
Source: Outcomemonitor Wijkenaanpak 2015, p. 112 (translation by author).

|	DE HOOGTE		GRONINGEN		ALL 40 PRIORITY NEIGHBOURHOODS		THE NETHERLANDS	
Work and income	2012	2007	2012	2007	2012	2007	2012	2007
Income from labour[1][3]	59%	58%	66%	65%	60%	59%	72%	71%
Households on long term benefits >3 years[3]	9%	11%	3%	4%	6%	7%	2%	2%
Non-working jobseekers[3]	9%	15%	5%	7%	7%	11%	4%	5%
Low income households2	78%	76%	59%	59%	60%	61%	40%	40%

[1] =2007 and 2011 | [2] =2007 and 2010, lowest 4 income deciles | [3] = in % of total employable population
CBS, Outcome monitor (Aandachtswijken), 2008-2012, Statline http://statline.cbs.nl
TABLE APP.H.1 Social economic indicators from Outcome Monitor Empowered Neighbourhoods Program

Summary

....

Networks and Fault Lines
Understanding the role of housing associations in neighbourhood regeneration:
a network governance perspective
....

1   The changing role of housing associations in neighbourhood regeneration
....

This study aims to increase our understanding of the role of social housing
organisations in neighbourhood regeneration governance networks, in order to
enhance the performance and outcomes of these networks. Our understanding of how
governance networks work is still limited, especially concerning the role of non-state
actors like housing associations. Hierarchical government steering is increasingly
mixed with market mechanisms and networked forms of decision-making. These shifts
in governance often result in more complex decision-making that can easily lead to
deadlocks, low-quality outcomes and ambiguous anchorage of democratic principles.

Neighbourhood regeneration takes place in rather exceptional governance networks.
The organisations involved, and the problems at hand, are place-based. Actors, like
housing associations, local authorities and community organisations, are more or less
'locked' into the regeneration network and need to collaborate in order to solve the
problems. The complexity of neighbourhood renewal processes is often very high, due
to the large number of actors involved, and the combination of insufficient housing
quality, lack of affordability and supply, along with social and economic problems that
need to be addressed.

Housing associations focus on the delivery of affordable decent quality housing; but,
in many countries—like the Netherlands and England—these organisations also have
an important role in neighbourhood regeneration. Housing associations are non-profit
organisations that provide housing for low and moderate-income households. They
operate largely autonomously from the government, although they are often strongly
regulated and dependent on government subsidies. Housing associations in England
and the Netherlands share many organisational characteristics and hybrid third-sector
values emerging from the need to balance social and economic objectives. They have
largely similar tasks and responsibilities, but work in very divergent contexts.

This study devotes careful attention to the contingencies of time and place of decision-making in order to regenerate insights that are also relevant outside the case-study areas. Therefore, this study places Dutch and English housing associations in their respective political economies, welfare regimes and rental housing systems. The study also highlights the ambiguous position—between state, market, and society—of housing associations

Neighbourhood regeneration evolved from slum clearance and complete area redevelopment in the 1950s and 1960s, towards more integral place-based approaches—in the 1970s and 1980s—with a stronger emphasis on improving the existing housing stock and involving local communities. The nature of the involvement of housing associations in neighbourhood regeneration has changed over time in response to government policies, public opinion, their own strategies, and the strategies of their umbrella organisations. In both England and the Netherlands, their increasingly prominent role —especially after the start of the new millennium—was driven by pressures on housing associations to take a leading role in neighbourhood regeneration.

2   A governance network perspective on neighbourhood regeneration

The emergence of the 'network society' has led to a fragmentation of power and resources. This fragmentation has led to increased interdependence of actors; public, private and community actors need to collaborate to solve problems. This study uses a governance network approach to explore the complexity and uncertainties involved in neighbourhood regeneration decision-making. The study explores five interrelated questions [see Chapter 1, §1.2], each related to a component of a theoretical framework on decision-making in a network setting. These questions involve context, networks, actors, processes and outcomes.

In order to answer the research questions, a qualitative, comparative, longitudinal exploration based on a case study methodology, was conducted. To ensure that comparable cases were explored, similar 'focal actors' were chosen (i.e. housing associations), as well as similar 'policy outputs' as starting points for the study (i.e. the drafting of neighbourhood regeneration plans). Based on these criteria, housing association Midland Heart, and the neighbourhood Lozells in North/West Birmingham, was selected as the English case study. In the Netherlands, housing association De Huismeesters, and De Hoogte, a neighbourhood in Groningen, were selected. Personal accounts have been an important data source for this study; 70 interviews with 45 different individuals were conducted between 2007 and 2014 in Groningen, and Birmingham. In addition, for the case study in The Hague (Chapter 5), around 25 interviews were conducted in 2004. That chapter was a first introduction to the explanatory capabilities of the network governance perspective.

3 Research results

The introductory chapter explores contextual factors—such as economic, social and political developments—that affect the role of housing associations in neighbourhood regeneration. Chapters 3 through 7 contain sections which describe the context relevant to that specific chapter. Chapter 8 is more reflective in nature and discusses the impact of post-crisis 'Big Society' (UK), and Participation Society (NL) government policies, as contingency factors for the role of housing associations in relation to local communities. Finally, Chapter 9 brings all the components of the theoretical framework together and especially reflects on the significant impact of contextual developments on the role played by housing associations in neighbourhood regeneration decision-making, and delivery. This research also highlighted the strong network relationships between housing associations and local authorities, but also revealed the often troublesome interactions between housing associations and residents. The title of this thesis: "Networks and Fault lines" is intended to reflect this.

This research took place in a period of unexpectedly dynamic economic, social and political developments, i.e. the global financial crisis, the housing-market downturn, government austerity, and a more restricted interpretation of the state's role in delivering welfare services. The impacts of these developments varied across the two cases. The Dutch housing association proved more resilient to contextual developments than its English counterpart; especially its ability to continue the neighbourhood investment programme. National government funding was less important to the Dutch housing association: the organisation already had access to neighbourhood regeneration investment resources. Other contextual factors, such as the characteristics of the national political economies, welfare and housing systems, indirectly affected the role played by housing associations. These factors mainly influenced the characteristics of the governance networks and the decision-making processes within these networks.

Explored through the networks component are the characteristics of the governance networks that housing associations participate in: interdependencies, strength of network relations, and the nature of the coordination mechanisms that underline decision-making. The key concepts to exploring networks are introduced in Chapter 2, and further developed in Chapters 3, 5 and 7. We found high levels of uncertainty, generated by the variety of, and the interdependencies between, actors, the closed-mindedness of actors to the arguments of other parties, and the changes in composition of the governance network. For example, the research found substantial cross-national differences, and indications that network characteristics change and fluctuate over time. In contrast to the situation in Groningen, the dependency of the Birmingham network on external government funding negatively affected the stability and the performance of that network. In Groningen, top-down government intervention also negatively affected the stability of the network, but for other reasons.

The, short-lived, abundance of resources for regeneration led to such a high number of new actors, issues, goals and decision-making arenas that the governance network was unable to function properly for some time. The network actors increased the complexity of policy games of their own volition. Sometimes, this was induced by the national government, when local network actors responded to steering instruments such as government subsidies. This led to more network complexity and dynamics in the form of new goals, network actors and decision-making arenas.

The third research component—the actors— explored the perceptions and objectives of housing associations, and other key network actors concerning neighbourhood regeneration investments and activities. Housing associations in both case-study areas took a prominent role in neighbourhood regeneration activities, and collaborated closely with local authority departments in drafting regeneration plans. The housing associations regarded improving the quality and variety of the local housing stock as an important element in creating a more mixed community, and retaining and attracting more affluent households. The local authorities supported this predominantly long-term ambition. Residents were more concerned with tackling short-term liveability issues, such as anti-social behaviour, crime and litter.

The role of housing associations changed during the 2007-2014 fieldwork period. From occupying a leading role in the regeneration process—in partnership with the local authority—at the start of the exploration in 2007, this role transformed into a more facilitating and supporting role. This appears to have been brought about by two related factors: a serious decline in available regeneration resources, and an increased emphasis on the responsibilities of individual residents and local communities under the influence of the Participation Society agenda, in the Netherlands, and the Localism agenda in England.

Residents and private-sector organisations were rarely directly involved in regeneration decision-making. With a little hindsight, one could formulate the contention that these actors were not fully represented in the governance network because the incumbent network actors (i.e. the housing associations and local authorities) chose the devil they knew. They opted for state involvement to acquire investment resources, rather than facing the uncertainties that would have resulted from expanding the network to include residents and private-sector organisations as full and mature network actors.

Decision-making processes constitute the fourth component of this study. It explored the decision-making interactions inside the neighbourhood regeneration networks, with a special focus on the interaction strategies used by housing associations. This study found that housing associations in the Groningen and Birmingham cases had a prominent and often leading role in the policy arenas where regeneration policies were developed. National governments in both countries had a strong impact on how these

processes evolved, leveraged by the alluring investment resources offered by national regeneration programmes, and the preconditions accompanying these resources.

Decision-making took place in arenas that almost exclusively consisted of housing association and local authority professionals. Residents were largely given a consumerist role in the process: their views on neighbourhood needs were collected through various instruments to involve residents, such as surveys and street interviews. Their views were, implicitly, taken into account in the decision-making. Residents were most often not part of these processes and not involved in the development of regeneration investments plans. Not all decision-making arenas were closed to residents. The housing associations in both case-study areas did involve residents as co-decision-makers in more 'hands-on' neighbourhood issues such as improving play-areas, tackling garbage and litter problems.

Decision-making conflicts and deadlocks were rather limited in the investigated governance networks. There was a strong impetus for the housing associations and the local authorities to reach agreements: no consensus would very likely mean no national government funding. Housing associations and local authorities used rather traditional instruments to facilitate decision-making, such as limiting the number of actors involved, and enforcing strict time constraints on decision-making processes.

Outcomes are the fifth and last component of this study. In this component we explored how the network—and housing associations in particular—contributed to decision-making and neighbourhood regeneration outcomes. It is evident that the housing associations in the case-study areas contributed significantly to neighbourhood regeneration activities, not only because they channelled considerable investments into the areas, but also due to their strong network relations and frequent interactions with government agencies and local communities. The actions of network actors have improved the quality of some parts of the housing stock. Joint projects have been delivered to improve the public realm and contribute to neighbourhood safety.

The research found that actors used very divergent process, input, output and outcome yardsticks to measure success, ranging from the number of projects and activities started, to the amount of money spent, the increase in resident satisfaction, the number of decision-making conflicts overcome, and the improvement achieved in quality-of-life indicators. These yardsticks changed over time and varied from actor to actor. This demonstrated how fluid the assessment of regeneration outcomes can be. New rounds of decision-making, as well as new network actors, led to a review of old decisions, sometimes with a different assessment of the outcomes achieved.

4   Challenges for governance network approaches

The governance network perspective has supported the exploration of the role played by housing associations in neighbourhood regeneration decision-making. It has increased our understanding of the complexity and the uncertainties involved in networked forms of decision-making. Governance network theory helped us identify instruments and strategies used by housing associations and local authorities to support regeneration decision-making. The governance network perspective is a rather new academic discipline that can be further developed. This study contributed to this development by addressing some issues and challenges; firstly, the role of residents in decision-making arenas, and secondly, the assessment of governance network outcomes.

The theoretical and methodological implications of residents as neighbourhood regeneration co-producers

Policy-makers expect a more active role of residents and local communities in the co-production of neighbourhood regeneration. This more inclusive approach may contribute to the quality and legitimacy of decisions made in governance networks, but the efficiency of decision-making will most probably not benefit. The trade-off between efficiency and legitimacy that arises from increased resident involvement is a challenge that calls for the further development of the governance network theory. This research suggests several avenues that could be followed to address this challenge. Firstly, a more extensive use of Habermas's Theory of Communicative Action, as explored in Chapter 8, might be undertaken to supplement the governance network theory. Secondly, more use could be made of the body of knowledge and theories developed in England during the New Labour government (1997-2010), which was often explicitly concerned with networks that linked governments with citizens and local communities [see Chapter 9].

The assessment of governance network outcomes

Co-production of neighbourhood regeneration can lead to more democratic and inclusive approaches to decision-making. This is likely to result in better outcomes, but not necessarily in greater consensus among the actors involved. Within network governance approaches, there is a tendency to define satisfactory outcomes as those that enjoy the greatest joint support of the actors involved in the process. More inclusive approaches, which engage a wider range of actors, might appear to be less successful as the benchmark of satisfaction is raised to include a wider range of preferences and experiences. Therefore, we need a more refined assessment of outcomes produced by increasingly heterogeneous networks.

Governance network approaches could develop methods – or develop connections with other theories and methodologies – that help evaluate the success of governance networks by combining substantive regeneration outcomes, actor and stakeholder satisfaction, and network learning. Preventing 'cherry picking' in the use of assessment yardsticks is essential, given the disinclination of actors to closely scrutinise the outcomes produced by governance networks (as found in this research). Further development of network governance approaches may increase our understanding of how actors construct the yardsticks to evaluate success, and provide tools to facilitate a more comprehensive assessment of network outcomes [See chapter 9].

5 Housing associations as champions of networks in vulnerable neighbourhoods

This research demonstrated that housing associations can play an important stabilising and cohesion-enhancing role in neighbourhood regeneration networks. Their interests are vested in the value of the local housing stock, and this financial incentive secures some level of commitment to vulnerable neighbourhoods. Their hybrid characteristics enable housing associations to collaborate with community, market and government organisations. Moreover, their professional capabilities and their relatively-easy access to resources allow them to champion neighbourhood needs, in cases where communities lack the capacity or cohesiveness to champion their own.

Using the leeway that housing associations have, as a hybrid organisation, is an extremely delicate exercise. They should seek a balance between the very different and variable expectations of the outside world. This balancing act is only attainable when housing associations can combine proficiency in network management, with increased accountability. Each neighbourhood is different, and housing associations should take a role that is appropriate to each neighbourhood. To do this, they should increase their knowledge of the neighbourhood challenges and assess the capabilities of residents and the local community to address these problems. Housing associations can support the development of governance networks to address these problems by helping craft networks in such a way that they include all relevant parties, and by providing small but stable funding to support network development and by improving accountability in decision-making processes.

There are strong arguments for housing associations to take a central role in neighbourhood regeneration. Housing associations are among the most prominent frontline agencies supporting vulnerable people and places. Through their housing stock, they are literally 'anchored' in the most deprived communities. Housing associations should not become the 'jack-of-all-trades' in neighbourhood regeneration, but can help develop, nurture and maintain well-functioning and stable regeneration networks which vulnerable neighbourhoods need. Housing associations can be the long-haul champion that neighbourhoods and local communities need.

Samenvatting

....

Netwerken en Breuklijnen
De rol van woningcorporaties in de wijkaanpak:
een netwerkperspectief op besluitvormingsprocessen

....

1   Probleemstelling en onderzoeksdoel
....

Maatschappelijke ontwikkelingen en veranderend overheidsbeleid hebben grote invloed gehad op de manier waarop de nationale overheid betrokken is bij betaalbaar wonen en leefbare wijken. Hiërarchische overheidssturing in deze domeinen is in de afgelopen decennia steeds meer vermengd met marktwerking en besluitvorming in netwerken van onderling afhankelijke actoren. Dit heeft invloed gehad op besluitvormingsprocessen. De verscheidenheid aan actoren heeft besluitvorming er niet gemakkelijker op gemaakt. Ons begrip van dergelijke besluitvormingsprocessen is nog volop in ontwikkeling. Dit onderzoek richt zich op de rol van woningcorporaties in de verbetering van kwetsbare wijken; gebieden die veelal worden gekenmerkt door een concentratie van huishoudens met een laag inkomen, een opeenstapeling van sociale en economische problemen en ontoereikende kwaliteit en variëteit van woningen, openbare ruimte en wijkvoorzieningen.

Wonen en de wijkaanpak vormen een vruchtbaar terrein voor onderzoek naar complexe besluitvormingsprocessen. Wonen wordt door velen beschouwd als de 'wankele pijler van de welvaartsstaat' (Torgersen, 1987, p.116), vanwege de ingewikkelde relatie tussen wonen als consumptiegoed, waar marktwerking zoveel mogelijk zijn gang moet gaan, en wonen als een zaak van publiek belang, waar de overheid een rol heeft. Wonen is ook een typisch voorbeeld van de manier waarop de levering van publieke diensten wordt georganiseerd in een postmoderne welvaartsstaat: namelijk met een sterke rol voor organisaties die geen onderdeel zijn van de overheid, zoals marktpartijen en organisaties in het maatschappelijk middenveld. Woningcorporaties zijn er een sprekend voorbeeld van. Het zijn relatief autonome not-for-profit organisaties die publieke diensten leveren. Zij dragen zorg voor betaalbare woningen en het bijdragen aan leefbare buurten. De spanning tussen markt en overheid zorgt in de wijkaanpak voor complexe dillema's als het gaat om de rol van woningcorporaties. Mogen corporaties bijvoorbeeld koopwoningen en duurdere huurwoningen in aandachtswijken bouwen? Hebben corporaties een rol in het zorgdragen van publieke

voorzieningen zoals scholen en buurthuizen? Wat is de rol van corporatie in de Participatiesamenleving? Het antwoord op die vragen is in 2015, het jaar dat dit promotieonderzoek werd afgerond, veelal anders dan in 2005, het jaar waarop het veldwerk voor dit onderzoek startte.

Sociale verhuurders hebben de afgelopen 20 jaar een belangrijke rol in de wijkvernieuwing gehad; veelal in de vorm van een mix van sociale, economische en fysieke interventies om de leefomstandigheden en de woningmarktpositie van achtergestelde wijken te verbeteren. Wat besluitvormingsprocessen in de wijkaanpak extra bijzonder maakt, is het gebrek aan vrijblijvendheid: woningcorporaties en bewoners kunnen zich niet onttrekken aan de problemen in kwetsbare wijken.

Onderzoeksdoel

Dit onderzoek wil de kennis vergroten over de rol van woningcorporaties in besluitvormingsprocessen over de wijkaanpak en wil verkennen hoe die rol wordt beïnvloed door de beleidscontext waarin woningcorporaties opereren in Nederland en Engeland. Een beter begrip van de rol van woningcorporaties in de wijkvernieuwing kan bijdragen aan beter presterende beleidsnetwerken.

2   Theoretisch kader

Om het bovengenoemde onderzoeksdoel te realiseren is een theoretisch raamwerk ontwikkeld dat inzicht biedt in de maatschappelijke positie van woningcorporaties en in de historische ontwikkeling van hun rol in de stedelijke vernieuwing. Bovendien bevat dit raamwerk de elementen die nodig zijn om complexe besluitvormingsprocessen in het publieke domein beter te begrijpen. Deze elementen zijn hieronder samengevat.

De maatschappelijke positie van woningcorporaties in Engeland en Nederland: verschillen en overeenkomsten

Dit onderzoek richt zich op Engelse 'housing associations' en Nederlandse woningcorporaties. Deze organisaties werken in uiteenlopende maatschappelijke contexten. Engeland wordt traditioneel omschreven als een liberale markteconomie met een beperkte welvaartsstaat. De Nederlandse economie wordt gezien als meer gericht op onderlinge afstemming tussen partijen en minder op volledig vrije marktwerking (Hall & Soskice, 2001). Ook de huurmarkt in beide landen is verschillend (Kemeny, 1995). Housing associations in Engeland hebben lange tijd gefunctioneerd in een duaal stelsel waarin de aanbieders van sociale huurwoningen zwaar werden gereguleerd en sociale huurwoningen stevig gesubsidieerd, dit in tegenstelling tot de vrijwel niet gereguleerde private huursector. De huurmarkt in Nederland had traditioneel een meer unitair

karakter en werd gekenmerkt door een sociale huursector die toegankelijk was voor een brede doelgroep, sociale verhuurders die beschikten over een grote mate van autonomie en open concurrentie tussen de sociale en commerciële huursector.

Die situatie is gedurende het veldwerk voor dit onderzoek ingrijpend veranderd. Engelse housing associations zijn zich steeds meer gaan richten op woningen voor huishoudens met een wat hoger inkomen; de overheid heeft dat mogelijk gemaakt door aanpassing van wet- en regelgeving en de introductie van subsidieprogramma's voor 'affordable housing'. In Nederland is sprake van een tegenovergestelde ontwikkeling. De sociale huursector is sinds 2010 door regelgeving steeds meer afgezonderd van de rest van de huurmarkt. De autonomie van woningcorporaties is aanzienlijk beperkt door een sterkere sturing van lokale overheid en huurders en door afroming van het vermogen door middel van een verhuurdersheffing. Er zijn veel aanwijzingen dat de maatschappelijke context van sociale verhuurders in beide landen naar elkaar is toegegroeid en dat Engelse woningcorporaties op dit moment zelfs meer bewegingsvrijheid hebben dan hun Nederlandse collega's.

De rol van woningcorporaties in de wijkaanpak is in de loop van de tijd veranderd onder invloed van overheidsbeleid, de publieke opinie, de eigen strategieën en die van hun koepelorganisaties. De aard van wijkvernieuwing evolueerde van krotopruiming en het herontwikkelen van complete gebieden, naar een integrale aanpak van wijken. In beide landen was er sterke druk op woningcorporaties om een meer prominente rol in de verbetering van wijken op zich te nemen. Naast investeringen in de verbetering en de bouw van woningen, nemen Engelse housing associations ook veel sociale activiteiten voor hun rekening, zoals het leveren van diensten op het gebied van welzijn, zorg en training voor huurders. Vaak doen ze dat niet met eigen geld, maar met overheidssubsidies of steun van charitatieve organisaties zoals de National Lottery. Nederlandse corporaties werken vrijwel uitsluitend met eigen middelen en blijven dichter bij hun kernactiviteit, zoals het 'schoon, heel en veilig' houden van de woonomgeving. Waar Engelse collega's vaak een belangrijke rol hebben bij het leveren van activiteiten op het gebied van zorg, welzijn en werk, beperken Nederlandse corporaties zich vaak tot de rol van investeerder in maatschappelijk vastgoed (zoals buurtcentra en scholen) en sponsor van leefbaarheidsactiviteiten. Op een enkele uitzondering na, leveren Nederlandse corporaties meestal niet de zorg- en welzijnsdiensten. De nieuwe Woningwet, ingevoerd in juli 2015, legt overigens ernstige beperkingen op aan de mogelijkheden van corporaties om buiten hun kerntaken nog iets te doen voor wijken.

Begrijpen en beïnvloeden van complexe besluitvormingsprocessen
Woningcorporaties functioneren tussen overheid, markt en samenleving. Hun positie is ambigue en hybride doordat zij doorlopend een balans moeten zoeken tussen uiteenlopende en veranderende verwachtingen en belangen. De hybriditeit

waarmee woningcorporaties te maken hebben is de afgelopen jaren wel van karakter veranderd. Waar corporaties in het verleden zich vrij gemakkelijk konden bewegen in het maatschappelijk middenveld tussen markt, staat en samenleving, is het speelveld voor corporaties nu meer afgebakend. In plaats van activiteiten verrichten die tot het domein van de overheid of de markt behoren, moeten corporaties zich vaker afvragen of, en hoe, zij een rol kunnen spelen in de wijkaanpak. Vaak zal het antwoord zijn dat het niet meer tot de kerntaak van corporaties behoort. Zij zijn meer dan in het verleden afhankelijk van anderen. Dat vergt veel van de mogelijkheden om samen te werken met anderen. Samenwerken in netwerken is onmisbaar om de benodigde middelen en legitimiteit te verkrijgen en om het gedrag van anderen te beïnvloeden.

De externe hybriditeit van netwerken in de wijkaanpak neemt toe; meer, en meer verschillende, actoren zijn nodig om problemen op te lossen. Zij hebben niet langer de bewegingsvrijheid om sociale en commerciële activiteiten te combineren. De interne hybriditeit van corporaties neemt af en verplaatst zich naar buiten. Corporaties moeten sociale (DAEB) en commerciële activiteiten strikt van elkaar scheiden, in ieder geval administratief en soms zelfs juridisch. In plaats van een hybride bedrijfsvoering wordt het eerder een gecompartimenteerd bedrijf.

Het oplossen van complexe vraagstukken, zeker de problemen in kwetsbare buurten, vraagt om de inbreng van veel verschillende actoren (Bengtsson, 2009; Priemus, 2004). Dit is niet een fenomeen dat alleen woningcorporaties raakt, maar is onderdeel van onze moderne netwerksamenleving waarbij onderlinge afhankelijkheden steeds groter worden (Castells, 1996; Frissen, 2002) en overheden steeds meer naar de achtergrond verdwijnen, maar niet noodzakelijkerwijs minder invloed hebben. Er bestaat onder onderzoekers geen overeenstemming over de machtsverhoudingen tussen de actoren in die netwerksamenleving en dus ook niet over de coördinatiemechanismen die de drijvende kracht vormen achter besluitvormingsprocessen. Is er werkelijk sprake van horizontale netwerken met weinig verschil in macht of invloed (Koppenjan en Klijn, 2004), of is de overheid nog steeds de machtigste partij maar weet zij die invloed slimmer te verpakken (Davies, 2011)?

De (machts)verhoudingen en afhankelijkheidsrelaties tussen actoren in beleidsnetwerken kunnen zeer verschillend zijn. Dat geldt ook voor het doel en de structuur van netwerken (Brown en Keast, 2003; Keast, Mandel en Brown, 2007). Netwerken kunnen variëren van losse, kortdurende en vrijblijvende verbindingen tussen actoren tot met sterke, langdurige en structureel verankerde verbindingen tussen actoren.

Dit onderzoek werkt vanuit de aanname dat coördinatiemechanismen, zoals overheidshiërarchieën, marktwerking en netwerksturing, hooguit conceptueel van elkaar te onderscheiden zijn, maar in de praktijk met elkaar zijn verstrengeld en voorkomen in verschillende combinaties (Swyngedouw, 2005; Jessop, 2002; Bradach

& Eccles, 1989). Dit onderzoek gebruikt theorieën over beleidsnetwerken ('goverance networks') om de rol van woningcorporaties in complexe besluitvormingsprocessen beter te begrijpen. De kracht van deze benadering ligt in het besef dat besluitvormingsprocessen vier specifieke kenmerken hebben. Ze zijn doordesemd met 'bounded rationality' (Simon, 1955), ze verlopen veelal rommelig (Lindblom, 1959), zijn complex (De Bruijn en Ten Heuvelhof, 1991) en onzeker (Koppenjan en Klijn, 2004).

Gelijktijdig met het terugtrekken van de overheid wordt van burgers een steeds actievere rol verwacht in het bijdragen aan leefbare buurten en het verbeteren van hun eigen sociaal/economische positie. Van *consumenten* moeten burgers veranderen in *coproducenten* van de welvaartsstaat. Dit is zeker het geval na de introductie van 'Big Society' in Engeland in 2009 en de 'Participatiesamenleving' in Nederland in 2013. Veel professionals, zeker in de corporatiesector, zijn ronduit sceptisch over deze hervormingen, omdat zij uit ervaring weten dat veel van hun huurders afhankelijk zijn van overheidssteun en de transitie naar meer zelfredzaamheid niet gemakkelijk kunnen maken.

De co-productie tussen bewoners en professionals (Pestoff, 2014) vraagt om concepten die inzicht bieden in communicatie tussen zeer uiteenlopende individuen. Dit onderzoek maakt daarvoor, naast theorieën over beleidsnetwerken, gebruik van Habermas' theorieën over 'communicatief handelen' (Habermas, 1987). Zijn theorieën analyseren onder andere de verschillen in regels en denkwijzen zoals organisaties die gebruiken (het systeem) en de regels en denkwijzen van bewoners (de leefwereld).

3 Onderzoeksopzet

Onderzoeksvragen

Op basis van het bovengeschetste kader over de positie van woningcorporaties en de complexiteit van besluitvormingsprocessen in de wijkaanpak is een conceptueel model samengesteld om ons onderzoeksdoel, het beter begrijpen van de rol van woningcorporaties in beleidsnetwerken in de wijkaanpak, te behalen. Dit model bestaat uit 5 componenten, elke component is uitgewerkt in een onderzoeksvraag:

— **Context**: hoe hebben contextuele factoren, zoals economische, sociale en politieke ontwikkelingen, de rol van woningcorporaties in besluitvormingsprocessen in de wijkaanpak beïnvloed?
— **Netwerk:** wat zijn de kenmerken van beleidsnetwerken (actoren, afhankelijkheden, verbindingen, coördinatiemechanismen) in de wijkaanpak waarin woningcorporaties participeren?

- **Actoren**: wat zijn de percepties en doelen van woningcorporaties en andere sleutelactoren in de wijkaanpak?
- **Proces:** hoe verlopen besluitvormingsinteracties in beleidsnetwerken in de wijkaanpak. Wat is de rol van woningcorporaties, welke interactiestrategieën gebruiken zij en hoe reageren andere actoren daarop?
- **Resultaat:** welke bijdrage hebben beleidsnetwerken geleverd aan besluitvormingsprocessen en resultaten in de wijkaanpak?

Onderzoeksmethodologie

Om de bovenstaande onderzoeksvragen te beantwoorden, werd gebruik gemaakt van een kwalitatieve, longitudinale en internationaal vergelijkende casestudy methodologie. Twee casestudy's lopen als een rode draad door dit proefschrift, namelijk de wijkaanpak in Lozells (Birmingham, UK) en in De Hoogte (Groningen, Nederland). Later meer over deze gebieden. Voor deze casestudy's zijn in de periode 2007-2014 circa 70 semi-gestructureerde interviews uitgevoerd met 45 verschillende personen[1]. Met sommige personen is in de loop van de jaren meerdere keren gesproken. De geïnterviewden werkten veelal voor de woningcorporaties en gemeenten. Tevens zijn actieve bewoners, lokale politici en andere betrokkenen geïnterviewd. Interviews zijn aangevuld met documentanalyses en observaties van bijeenkomsten.

Woningcorporaties zijn de hoofdrolspeler in dit onderzoek. De wijkaanpak is geselecteerd als terrein van onderzoek vanwege zijn complexiteit, het grote aantal betrokken actoren en de veelal hardnekkige sociale, economische en fysieke problemen die spelen in achterstandswijken. De casestudy over Den Haag was een eerste verkenning van de meerwaarde die de netwerkbenadering heeft om de bijdrage van woningcorporaties aan de wijkaanpak en de beïnvloedingsmogelijkheden van landelijke en lokale overheid beter te begrijpen.

De casestudy's in Groningen en Birmingham zijn meer gericht op één centrale actor: een specifieke woningcorporatie, en één specifiek 'beleidsspel' waarmee het onderzoek startte, namelijk de ontwikkeling van toekomstplannen die richting moest geven aan de verbetering van de wijken; een masterplan voor Lozells en een Wijkactieplan voor De Hoogte. De wijken zijn geselecteerd als casestudy's voor dit onderzoek omdat de besluitvorming over deze plannen in beide gevallen in een vroeg stadium was, en er voldoende toegang was tot documenten, bijeenkomsten en informanten. De centrale actor in De Hoogte is woningcorporatie De Huismeesters. In Lozells is dat housing association Midland Heart.

---

1   Dit is exclusief de 25 interviews die zijn uitgevoerd voor de case studie in Den Haag (hoofdstuk 5).

DE HOOGTE, GRONINGEN

De Hoogte is een wijk met ongeveer 2.000 huishoudens in studentenstad Groningen, op ongeveer 15 minuten fietsen van het centrum. Het oudste deel van de wijk is Tuindorp de Hoogte, gebouwd vlak na de Eerste Wereldoorlog door de voorlopers van woningcorporatie De Huismeesters. Andere delen van de wijk, Selwerderwijk Noord en Zuid, zijn na de Tweede Wereldoorlog gebouwd en bestaan vooral uit portieketagewoningen. Het is een wijk met oorspronkelijk vrijwel uitsluitend sociale woningbouw. De afgelopen decennia zijn woningen vervangen, gerenoveerd en bijgebouwd. De wijk blijft een gebied met vele lage inkomens. Voor Groningse begrippen is het aandeel bewoners met een niet-Nederlandse achtergrond vrij hoog (ongeveer 20%). Een eenzijdige bevolkingssamenstelling en woningvoorraad, in combinatie met sociale en leefbaarheidsproblemen, waren aanleiding voor de wijkaanpak in De Hoogte.

LOZELLS, BIRMINGHAM

Lozells ligt niet ver van het centrum van Birmingham. De wijk telt ongeveer 4.000 huishoudens. De bevolkingssamenstelling is een van de meest diverse van de stad; 95% van de inwoners heeft een niet-Engelse achtergrond. Veel bewoners hebben wortels in Bangladesh, Pakistan of de voormalige Engelse koloniën in de Cariben. Het is een wijk die al heel lang opvangplek is geweest voor nieuwkomers in Engeland. De laatste jaren is het de startplek voor migranten uit onder andere Somalië en diverse Oost-Europese landen zoals Polen. De sociale en economische problemen zijn hoog, veel werkloosheid, veel criminaliteit en problemen met zwerfvuil. De wijk bestaat vooral uit rijtjeshuizen, variërend van grote Victoriaanse villa's, die veelal zijn gesplitst in appartementen, tot kleine rijtjeshuizen. Overbezetting van woningen is er een groot probleem. Ongeveer 25% van de woningen is eigendom van sociale verhuurders.

4   Resultaten

Kritische perspectieven op beleidsnetwerken in de wijkaanpak, bewonersparticipatie en sociale integratie *(hoofdstuk 3)*

Beleidsnetwerken worden vaak genoemd als instrument om bewonersparticipatie in de wijkaanpak te bevorderen. Deze claim is gebaseerd op de aanname dat verticale sturing door de overheid plaatsmaakt voor een meer evenwichtige verdeling van macht

en invloed van actoren. Gecombineerd met een sterkere nadruk op wederkerigheid en vertrouwen zou dit zich vertalen in pluriforme beleidsnetwerken voor collectieve besluitvorming. Hoofdstuk 3 gaat na of deze claim ook wordt waargemaakt. Zij doet dit in de vorm van een aantal kritische reflecties op beleidsnetwerken in de wijkaanpak, op bewonersparticipatie en op sociale integratie van etnische minderheden in Nederland, Zweden en Engeland. Daarbij werd ook kritisch gekeken naar de democratische verankering van beleidsnetwerken.

Die reflecties leidden tot de voorzichtige conclusie dat beleidsnetwerken een waardevolle aanvulling kunnen zijn op traditionele vormen van representatieve democratie. Vervolgonderzoek moet uitwijzen of het daadwerkelijk gaat om horizontale beleidsnetwerken of dat er vooral sprake is van sturing in de 'schaduw' van hiërarchisch overheidsingrijpen. Daarnaast zijn de opvattingen van de betrokken actoren van essentieel belang. Vinden zij zelf dat netwerksturing aanvullend of incompatibel is met representatieve democratie? Zijn hun opvattingen daarover in de loop van de tijd veranderd? Tenslotte is het belangrijk om te onderzoeken hoe beleidsnetwerken in de praktijk gekoppeld zijn aan systemen van representatieve democratie.

'Een verandering ten goede?' Doorgronden van de fusiebeweging in de sociale huisvestingssector in Nederland en Engeland *(Hoofdstuk 4)*

Één van de meest opvallende ontwikkelingen in de sociale huisvesting in Nederland en Engeland is de schaalvergroting door fusies. De gemiddelde Nederlandse woningcorporatie is bijvoorbeeld in de afgelopen 20 jaar verdubbeld in omvang. Het artikel brengt de motieven en drijvende krachten in beeld en kijkt naar de resultaten van de fusiebeweging. Is schaalvergroting een verandering ten goede, en blijkt dat ook uit de impact op klanttevredenheid, woningproductie en bedrijfslasten?

Het hoofdstuk bestudeert fusies in hun nationale context. In Engeland waren fusies veelal het gevolg van externe factoren, onder andere de druk van de toenmalige toezichthouder (de Housing Corporation) op het behalen van efficiencywinsten. In Nederland werden fusies vooral gedreven door interne factoren, zoals de wens tot professionalisering van de werkorganisatie en het versterken van de marktpositie en externe invloed van de organisatie. De rol van woningcorporaties in de aanpak van wijken werd zelden genoemd als doorslaggevende factor voor schaalvergroting.

De relatie tussen schaal en prestaties blijkt ambivalent. De vergelijking tussen grote en kleine woningcorporaties is lastig omdat ze veelal andere ambities, opgaven, taken, werkwijzen en sterkten en zwakten hebben. Het onderzoek toont aan dat in Nederland de grotere woningcorporaties relatief meer nieuwe woningen bouwen en een breder pakket aan diensten aanbieden. De huurders van kleinere corporaties zijn echter meer tevreden over de kwaliteit van de dienstverlening en bewonersparticipatie. Deze organisaties hebben ook lagere bedrijfslasten. De onderzoeksresultaten over Engeland

zijn op dit punt minder eenduidig. Het onderzoek benadrukt het belang van integratie van structuren, systemen en culturen van de samengevoegde organisaties na de fusie. Het realiseren van beoogde fusiebaten eindigt niet bij het juridisch samenvoegen van organisaties, maar begint daar juist.

Een netwerkperspectief op de organisatie van betaalbaar wonen in Nederland: de wijkaanpak in Den Haag *(Hoofdstuk 5)*

Voordat met de casestudy's in Birmingham en Groningen is gestart, werd eerst met behulp van de netwerkbenadering onderzoek gedaan naar het gebruik en de effecten van sturingsinstrumenten in de wijkaanpak in Den Haag. Het onderzoek bevestigde het bestaan van complexe beleidsnetwerken met veel wederzijdse afhankelijkheden. De overheid was duidelijk niet langer de dominante actor in de wijkaanpak. Het aantal instrumenten waarover de overheid beschikte om invloed uit te oefenen op het gedrag en de prestaties van woningcorporaties bleek beperkt. Ook de stuurkracht van die instrumenten was niet groot.

Nederlandse woningcorporaties beschikten over diverse vormen van zelfregulering, zoals visitaties, benchmarking en de governancecode. Deze instrumenten bleken weinig invloed te hebben op de prestaties in de wijkaanpak. Het volkshuisvestelijk toezicht door de nationale overheid had ook weinig effect. Effectiever bleek het financieel toezicht door het aan de rijksoverheid gelieerde Centraal Fonds Volkshuisvesting en het gebruik van prestatieafspraken tussen de gemeente en de corporaties in Den Haag. In combinatie vormden de gebruikte sturingsinstrumenten echter geen sluitend stelsel van 'checks and balances' om prestaties te waarborgen.

Actoren in het Haagse wijkvernieuwingsnetwerk vonden de formele sturingsinstrumenten overigens minder belangrijk dan het door gemeente en woningcorporaties gedeelde commitment aan de kwaliteit van wijken, de persoonlijk chemie tussen personen en het maatschappelijk ondernemerschap van corporaties. Dit waren volgens hen *de* belangrijkste drijvende krachten achter prestaties in de wijkaanpak. Het blijft echter enigszins toevallig of dat commitment, die persoonlijke chemie en dat maatschappelijk ondernemerschap ontstaan; het was in Den Haag op geen enkele wijze gewaarborgd.

Wellicht niet toevallig waren de woningcorporaties en de gemeente, de actoren met de meest invloedrijke positie in het netwerk, overwegend tevreden over hun prestaties in de wijkaanpak. Bewonersorganisaties waren een stuk minder tevreden en bleken ook minder in staat om hun wensen te vertalen in praktische resultaten. De invloed van bewoners was beperkt, dat gold zowel voor hun rol als actor in het beleidsnetwerk, hun positie als huurder van de woningcorporatie en als burger die via verkiezingen invloed probeert uit te oefenen op het gemeentelijk beleid en daarmee op de koers van de wijkaanpak.

Beleidsnetwerken in actie: complexe besluitvormingsprocessen in de Groninger wijkaanpak *(Hoofdstuk 6)*

Hoofdstuk 6 analyseert besluitvormingsprocessen in de Groninger wijkvernieuwing. Het hoofdstuk beschrijft de groeiende samenwerking tussen de gemeente Groningen en woningcorporaties in de wijkaanpak sinds het midden van de jaren negentig. Vanuit een netwerkperspectief beschrijft het de moeizame onderhandelingen tussen corporaties en gemeente over een nieuw convenant met afspraken over wonen en wijkvernieuwing in 2006. De besluitvormingscomplexiteit en het aantal betrokken actoren nam toe omdat men de sociale, economische en fysieke aspecten van de wijkaanpak wilde intregeren. Dit had wel tot gevolg dat zelfs partijen die al jaren samenwerkten er bijna niet meer 'uitkwamen' en vastliepen in conflicten en misverstanden.

Het identificeert de strategieën die door actoren werden gebruikt om de toegenomen complexiteit en onzekerheden het hoofd te bieden, zoals het formuleren van een gezamenlijke visie en het slim koppelen van besluitvormingsarena's (zie Koppenjan en Klijn, 2004). Als weg uit de impasse werden 'gouden regels' voor de wijkaanpak afgesproken, pas daarna werd onderhandeld over concrete doelen en de inzet van financiële middelen. Besluitvormingsarenas werden bijzonder zorgvuldig voorbereid, gefaciliteerd en opgevolgd. Impliciet maakten de actoren intensief gebruik van netwerk managementinstrumenten.

Wijkaanpak en Leiderschap: lessen uit Groningen en Birmingham *(Hoofdstuk 7)*

Vooral in Engeland was er na het Lyons rapport (2007) een sterke nadruk op het belang van de sociale, fysieke en economische leefbaarheid van wijken. Een aantal jaren eerder had het rapport 'Vertrouwen in de Buurt' van de Wetenschappelijk Raad voor het Regeringsbeleid (WRR, 2005) een vergelijkbare uitwerking. In Engeland werd de rol van de overheid benadrukt om wijken weer aantrekkelijk te maken door verschillende beleidsdomeinen met elkaar te verbinden. Dit werd samengevat in het begrip 'place shaping' (Trickett et al., 2008). Hiermee onlosmakelijk verbonden is het begrip 'place leadership'; iemand moet tenslotte een bijdrage leveren aan 'place shaping' processen. In beide landen is een belangrijke rol weggelegd voor lokale overheden. In Nederland adviseerde de WRR om woningcorporaties een rol als regisseurs van de wijkaanpak te geven.

Tegen deze achtergrond, verkent hoofdstuk 7 het concept 'place leadership' en vergelijkt dit met de netwerkbenadering. In Engeland was 'place leadership' een relatief nieuw en weinig onderzocht fenomeen. In Nederland wordt het woord 'leiderschap' zelden in combinatie met de aanpak van wijken gebruikt, hoewel van woningcorporaties vaak wel een belangrijke rol werd verwacht zoals bleek uit het eerdergenoemde rapport van de WRR (2005). De relaties tussen beleidsnetwerken en leiderschap werden onderzocht aan de hand van een aantal thema's, zoals de ontwikkeling van wijkgerichte interventies, de invloed van nationale beleidsagenda's, bewonersparticipatie, democratische verankering van de besluitvorming en de verschillende stijlen, dillema's en uitdagingen verbonden aan 'place leadership'.

We vonden dat zowel het perspectief van 'place leaderschip' als van beleidsnetwerken een toegevoegde waarde hebben om besluitvorming in de wijkaanpak te doorgronden. In Nederland wordt zelden expliciet over leiderschap gesproken, maar in de praktijk zijn er wel degelijk partijen die de kar trekken. Veelal zijn dat de professionals in dienst van gemeente en woningcorporaties. Doordat leiderschap zo impliciet blijft, blijven de spanningen verbonden met leiderschap veelal onbesproken. De verhouding tussen de professionals aan de ene kant, en bewoners en gemeenteraadsleden aan de andere, blijven onderbelicht. Het perspectief van 'place leadership' besteedt aandacht aan macht, invloed, legitimiteit en gezaghebbendheid. In de netwerkbenadering worden deze zaken veelal gereduceerd tot een managementvraagstuk en ontdaan van hun politieke lading.

Een belangrijke bijdrage van de netwerkbenadering is de erkenning dat het werken aan succesvolle buurten vrijwel niet gepland kan worden via traditionele rationele planningsmethoden. Doelen ontstaan veelal als gevolg van interacties tussen actoren. De netwerkbenadering maakt ook duidelijk dat veranderende beleidsagenda's, en de introductie van nieuwe actoren, de uitkomsten van besluitvormingsprocessen kunnen beïnvloeden, en ook uitwerking hebben op de waardering van uitkomsten van beleidsspelen uit het verleden. Dit hoofdstuk sluit af met de conclusie dat een wijkaanpak vraagt om methoden die in staat zijn om de uitkomsten van complexe besluitvormingsprocessen op een meer genuanceerde en holistische wijze in beeld te brengen. In hoofdstuk 9 wordt deze conclusie vertaald in enkele aanbevelingen.

Maakt de participatiesamenleving kans van slagen? Lessen uit de wijkaanpak in Engeland en Nederland (Hoofdstuk 8)

Zowel in Nederland als in Engeland werden wijkvernieuwingsprogrammas met een sterk top-down karakter (het Krachtwijkenprogramma in Nederland en het Housing Market Renewal Programma in Engeland) in 2011 vroegtijdig beëindigd. Hiervoor in de plaats kwam een beleidsagenda die meer verantwoordelijkheid legde bij burgers en lokale overheden, maar tegelijkertijd ook minder overheidsmiddelen beschikbaar stelde. In Engeland vond dit plaats onder de vlag van de in 2009 geïntroduceerde 'Big Society' en 'Localism' agenda. In Nederland werd in 2013 de sterk op het Britse voorbeeld gebaseerde 'participatiesamenleving' geïntroduceerd, maar al eerder werd het argument van de sterkere rol van burgers gebruikt om het Krachtwijken programma te beëindigen.

Centraal in dit nieuwe beleidsparadigma is een meer actieve betrokkenheid van burgers bij de coproductie van oplossingen voor complexe maatschappelijke problemen. Hoofdstuk 8 onderzoekt, op basis van de casestudy resultaten uit Birmingham en Groningen, welke lessen er geleerd kunnen worden voor het succesvol implementeren van de participatiemaatschappij. Met behulp van Habermas' (1987) concept van leefwereld en systeemwereld wordt aannemelijk gemaakt dat het ontwikkelen van verbindingen tussen

professionals en bewoners erg lastig is vanwege de verschillende denkwijzen en regels. Die verschillen worden door professionals amper onderkend, waardoor coproductieprocessen met burgers vaak uitermate moeizaam verlopen. De lessen uit de wijkaanpak zijn waardevol voor het versterken van de participatiemaatschappij. Professionals zullen tijd en aandacht moeten besteden om bewoners in kwetsbare buurten te ondersteunen in het oppakken van hun rol als coproducent. Burgerschap vergt ambachtschap, en organisaties zoals woningcorporaties zijn uitstekend gepositioneerd om bewoners te ondersteunen in het ontwikkelen van de noodzakelijke vaardigheden.

5   Conclusies

In deze sectie worden de antwoorden op de onderzoeksvragen over respectievelijk context, netwerk, actoren, proces en resultaat samengevat.

Context

Dit onderzoek vond plaats in een periode (2005-2014) van onverwacht ingrijpende economische, sociale en politieke ontwikkelingen. De crisis op de woningmarkt en de snelle terugtrekking van de overheid uit wijkvernieuwingsprogramma's hebben de besluitvorming over de wijkaanpak en de rol van de woningcorporaties in de casestudy-gebieden significant beïnvloed, zij het op verschillende manieren.

De Nederlandse woningcorporatie bleek aanzienlijk robuuster in het omgaan met deze contextuele ontwikkelingen dan de Engelse housing association. Financiële ondersteuning door de overheid was van veel minder kritisch belang voor de Nederlandse woningcorporatie; ze beschikten al over voldoende middelen om te investeren in de wijkaanpak.

De introductie van Big Society en Localism in Engeland, en de participatiesamenleving in Nederland hebben de rol van woningcorporaties beïnvloed en effect gehad op de kenmerken van de beleidsnetwerken in de wijkaanpak. Dit toont ook de waarde aan van de internationaal vergelijkende, longitudinale aanpak van dit onderzoek. Deze aanpak maakte het mogelijk om de perspectieven en reacties van actoren te volgen en vast te leggen op het moment dat die contextuele ontwikkelingen zich voordeden. Dat gaf een zuiverder beeld dan actoren achteraf te vragen die ontwikkelingen en hun reactie daarop te reconstrueren.

Netwerk

Dit onderzoek toonde aan dat besluitvorming in de wijkaanpak plaatsvindt in complexe netwerken. Kenmerken die horen bij dergelijke vormen van besluitvorming werden ruimschoots aangetroffen, zoals onderlinge afhankelijkheden, pluriforme actoren, een zekere mate van geslotenheid van actoren en van het netwerk, en een aanzienlijke

dynamiek van wisselende actoren en beleidsagenda's. Deze factoren zorgen voor grote inhoudelijke, strategische en institutionele onzekerheden.

Uit het onderzoek bleken ook aanzienlijke verschillen tussen Nederland en Engeland. Deze verschillen kwamen niet onverwacht. Omdat Nederland veel kenmerken van een gecoördineerde markteconomie heeft (zie Hall en Soskice, 2001), werd in Groningen ook een sterker ontwikkeld netwerk verwacht en in Birmingham, vanwege de sterkere liberale marktverhoudingen, meer competitie tussen actoren en samenwerkingsverbanden die vooral gericht waren op de eigen doelen van de betrokken organisaties. Die verwachtingen werden ook grotendeels bevestigd door het onderzoek.

De voornaamste verklaring voor de verschillen in netwerktypologieën lijkt samen te hangen met de uiteenlopende beschikbaarheid van financiële middelen. In Groningen waren de meeste middelen al beschikbaar, namelijk in de vorm van de investeringscapaciteit van de betrokken woningcorporatie. Bijkomende middelen uit het Krachtwijkenprogramma van de nationale overheid waren welkom, maar niet noodzakelijk. Deze relatieve onafhankelijkheid van externe middelen droegen bij aan een sterk ontwikkeld en stabiel beleidsnetwerk. De focus in het Groninger netwerk lag voornamelijk op de allocatie van middelen over activiteiten en projecten. Het beleidsnetwerk in Lozells beschikte daarentegen over minder eigen middelen en was vooral gericht op het verkrijgen van financiering van de nationale overheid.

De kenmerken van de beleidsnetwerken waren niet constant, maar veranderden onder invloed van interne en externe factoren. Netwerkrelaties tussen Midland Heart en de Birmingham City Council waren intensiever tijdens de ontwikkeling van het Masterplan voor Lozells, maar verslapten nadat de kansen op subsidie waren verminderd door beëindiging van het Housing Market Renewal programme en versobering van het Affordable Homes Programme in 2011.

Actoren

In beide casestudy gebieden vervulden de woningcorporaties een prominente rol in wijkvernieuwingsactiviteiten. Dat deden zij in nauwe samenwerking met gemeentelijke overheden, onder andere door het gezamenlijk opstellen van toekomstplannen voor de wijken. De betrokken woningcorporaties beschouwden het verbeteren van de kwaliteit van de woningen als een belangrijk doel, evenals het vergroten van de verscheidenheid in het woningaanbod, vooral door aanvullend woningaanbod te creëren voor huishoudens met een modaal of hoger inkomen. Deze ambitie werd ook ondersteund door de gemeenten. De nadruk van bewoners lag vooral op het verbeteren van de woningkwaliteit en het zorgen voor voldoende betaalbare woningen. Ook vonden bewoners de verbetering van de leefbaarheid erg belangrijk, zoals het bestrijden van overlast, vervuiling, vernieling en (drugs)criminaliteit.

Tijdens het veldwerk voor dit onderzoek veranderde de rol van woningcorporaties in beide casestudy gebieden. Van een leidende positie in het wijkvernieuwingsproces (in samenwerking met de lokale overheid) veranderde dat in een meer faciliterende en ondersteunende rol. Dit lijkt te zijn veroorzaakt door twee factoren: een sterke daling van de beschikbare middelen en een grotere nadruk op de eigen verantwoordelijkheid van individuele bewoners en lokale gemeenschappen.

Proces

Woningcorporaties in beide casestudy gebieden hadden een prominente en vaak leidende rol in het wijkvernieuwingsnetwerk. In deze netwerken vonden vooral interacties plaats tussen woningcorporaties en lokale overheden, maar ook centrale overheden hadden een sterke invloed op het verloop en de uitkomsten van besluitvormingsprocessen. Die invloed kwam vooral voort uit de financiële middelen die door de nationale overheid in het vooruitzicht werden gesteld en de eisen die daaraan verbonden waren. Lokale actoren hebben in belangrijke mate het lokale besluitvormingsproces afgestemd op de wensen van de nationale overheid. Er waren weinig conflicten en impasses tijdens de ontwikkeling van plannen voor de wijk. Er was betrokkenen ook veel aan gelegen om tot overeenstemming te komen; geen consensus zou immers ook geen overheidssteun betekenen. Zeker in Birmingham was die financiering van essentieel belang.

Besluitvorming vond voornamelijk plaats in arena's die vrijwel uitsluitend bestonden uit professionals. Bewoners kregen vooral de rol van 'consument'. Hun visie op de toekomst van de wijk werd wel gevraagd en meegewogen in de besluitvorming, maar daar waren zij zelf meestal niet bij. Vooral de professionals van de woningcorporatie en de gemeente maakten de plannen. Plannen die zij vervolgens voor commentaar aan de bewoners presenteerden. Niet alle besluitvormingsarena's waren gesloten voor bewoners. Woningcorporaties in beide gebieden betrokken bewoners als coproducenten in de meer uitvoerende projecten, zoals de verbetering van de openbare ruimte.

Resultaten

Woningcorporaties in beide casestudy gebieden hebben aanzienlijk bijgedragen aan de wijkvernieuwingsactiviteiten. Niet alleen omdat ze investeerden in de wijken—overigens vooral in Groningen—maar ook vanwege hun intensieve interacties met andere actoren in het netwerk.

Dit onderzoek heeft vooral vanuit de perspectieven van betrokken actoren gekeken naar besluitvormingsprocessen. Dat perspectief is ook gebruikt om de resultaten van de wijkaanpak te evalueren. Actoren gebruikten een opvallende verscheidenheid aan criteria om resultaten te beoordelen, variërend van input indicatoren zoals de hoeveelheid geïnvesteerd geld, output indicatoren zoals het aantal uitgevoerde projecten, outcome

indicatoren zoals de stijging van de bewonerstevredenheid, en meer objectieve indicatoren over de leefbaarheid in de buurt en de sociaal/economische positie van bewoners. Soms werden ook procesindicatoren gebruikt voor de evaluatie, zoals de goede samenwerking of het samen vinden van oplossingen voor meningsverschillen. De beoordeling van uitkomsten was hierdoor enigszins fluïde en willekeurig. Actoren hadden de neiging om indicatoren te kiezen die hun inspanningen in een positief licht plaatsten.

6   Implicaties voor theorie en praktijk

Dit onderzoek toont aan dat woningcorporaties ertoe doen in beleidsnetwerken in de wijkaanpak. Zij kunnen een stabiliserende en verbindende factor zijn. Bedrijfsbelangen en sociale betrokkenheid bevorderen hun commitment aan kwetsbare wijken. De hybride kenmerken van hun organisatie stellen hen in staat om samen te werken met bewoners, overheden en marktpartijen. De relatief gemakkelijke toegang tot financiële middelen maken het woningcorporaties mogelijk om zich langdurig te concentreren op het ondersteunen van kwetsbare wijken, als bewoners zelf onvoldoende mogelijkheden hebben om dat te doen.

Wijken zoals De Hoogte en Lozells zullen er waarschijnlijk altijd blijven; gebieden waar veel kwetsbare huishoudens met een laag inkomen wonen. Op basis van de bevindingen van dit onderzoek, is het onwaarschijnlijk dat nationale overheden –of marktpartijen- in staat, of bereid, zijn om zich langdurig in te zetten voor deze gebieden. Daarvoor zijn de kansen op financieel of politiek gewin te beperkt. De politieke aandacht voor wijken als De Hoogte en Lozells werd in het verleden sterk beïnvloed door dreigende onrust of daadwerkelijke rellen en andere vormen van criminaliteit. Niets doen, zou leiden tot politiek verlies. Het is gevaarlijk om de aandacht voor kwetsbare wijken te laten afhangen van de getijden van politiek en markt. Dit onderzoek heeft onderstreept dat we complexe problemen alleen kunnen oplossen in netwerken met meerdere partijen. Het ontwikkelen en onderhouden van relaties tussen actoren in die netwerken kosten tijd en inzet. Er is een organisatie nodig die netwerken in kwetsbare wijken langdurig kan ondersteunen, ongeacht de stand van het getij. Corporaties zijn daarvoor een uitgelezen partij.

De positie van woningcorporaties—als private not-for-profit organisaties, tussen overheid, markt en maatschappij—biedt hun enige discretionaire vrijheid om te manoeuvreren tussen overheidshiërarchieën en de tucht van de markt als dat nodig is om lokale gemeenschappen te ondersteunen. Sociale verhuurders zijn daardoor in zekere mate in staat om contra-cyclisch te handelen, door het agenderen van onderwerpen die niet hoog op de politieke agenda staan, door te investeren in projecten en gebieden waar reguliere marktpartijen geen interesse in hebben, of door activiteiten uit te voeren die niet aansluiten bij de heersende opvattingen van bewoners en lokale gemeenschappen. Dit vraagt lef en daadkracht van corporaties. Het is geenszins een pleidooi om woningcorporaties een 'blanco cheque' te geven.

De Parlementaire Enquête Woningcorporaties heeft duidelijk gemaakt wat er kan gebeuren als woningcorporaties hun mandaat overschrijden. Het gebruiken van de speelruimte die woningcorporaties hebben -als hybride organisatie tussen overheid, markt en samenleving- is een uiterst delicate oefening. Het is een evenwichtsoefening tussen de verschillende verwachtingen van de buitenwereld en de eigen afwegingen om bij te dragen aan de kwaliteit van de buurt op lange termijn. Die evenwichtsoefening slaagt alleen als woningcorporaties in staat zijn om vaardigheid op het gebied van netwerkmanagement en het bouwen van coalities met andere actoren te combineren met transparantie en verantwoording over hun keuzen, afwegingen en resultaten; het gaat daarbij om het vinden van een zorgvuldige -en kwetsbare- balans tussen legitimiteit, efficiency en effectiviteit van handelen.

Samenvattend, ziet dit onderzoek vijf redenen voor een prominente rol van woningcorporaties voor het ondersteunen van kwetsbare wijken:

1   woningcorporaties kunnen zorgen voor een stabiele stroom investeringen in wijken;
2   woningcorporaties kunnen als organisatie met een lange-termijn focus opkomen voor de belangen van kwetsbare wijken en hun bewoners;
3   woningcorporaties kunnen als hybride organisaties bijdragen aan een goedwerkend beleidsnetwerk;
4   woningcorporaties kunnen bijdragen aan het verder uitbouwen van de Participatiesamenleving door het ondersteunen van bewonersinitiatieven in wijken;
5   woningcorporaties hebben, meer dan menig andere organisatie, ogen en oren in kwetsbare wijken en kunnen signaleren, agenderen en waar nodig handelen.

Aansluitend hierop, formuleert dit onderzoek een vijftal aanbevelingen voor de rol van woningcorporaties in de wijkaanpak:

1   vergroot de kennis van de uitdagingen waar buurten mee kampen, en onderzoek nauwkeurig wat de weerbaarheid en zelfredzaamheid van wijken is: over welke mogelijkheden, talenten en vaardigheden beschikken bewoners en buurten om zelf problemen op te lossen?;
2   kies op basis van de weerbaarheid en zelfredzaamheid van bewoners en buurten voor een rol die past om bij te dragen aan het oplossen van problemen. Die rol zal per buurt verschillend zijn;
3   streef ernaar om alle relevante actoren actief als coproducenten (en zo min mogelijk als consumenten) te laten participeren in het oplossen van problemen. Bekwaam je in het gebruik van netwerk management instrumenten om dit te bewerkstelligen;
4   zorg voor een bescheiden maar stabiele stroom aan middelen (geld, mensen, aandacht, kennis en tijd) om de participatie van actoren in het beleidsnetwerk te ondersteunen;
5   versterk de transparantie en verantwoording over het functioneren en de resultaten van het beleidsnetwerk.

Uitdagingen voor beleidsnetwerken als onderzoeksperspectief

Om de rol van woningcorporaties in complexe besluitvormingsprocessen in de wijkaanpak beter te begrijpen heeft dit onderzoek zeer vruchtbaar gebruik gemaakt van theorieën over beleidsnetwerken. Op basis van de onderzoekservaringen is een aantal uitdagingen voor de verdere ontwikkeling van theorieën op het gebied van beleidsnetwerken geformuleerd:

1   vergroten van inzichten in de impact van contextuele ontwikkelingen, marktwerking en overheidssturing op beleidsnetwerken;
2   ontwikkelen van methoden en verantwoordingsmechanismen om de resultaten van beleidsnetwerken te beoordelen in een situatie waarin het aantal betrokken actoren, perspectieven en doelen toeneemt;
3   ontwikkelen van theoretische concepten die meer inzicht bieden in de rol van burgers als coproducenten in besluitvormingsprocessen.

7   Epiloog

Dit proefschrift eindigt met het uitspreken van de hoop dat sociale verhuurders hun focus op kwetsbare wijken niet verliezen. Uiteindelijk zijn zij één van de weinige partijen die daar het verschil kunnen maken. Als woningcorporaties zich niet committeren aan wijken en kwetsbare bewoners verliezen zij hun unieke positie en daarmee eigenlijk hun bestaansrecht, want het aanbieden van betaalbare woningen alleen is geen unieke taak meer van woningcorporaties. Wat wel uniek is, en wat geen enkele andere organisatie goed kan, is het gebruiken van betaalbare woningen als hefboom en instrument om kwetsbare wijken en mensen te ondersteunen, in goede en in slechte tijden, niet alleen nu of morgen, maar zo lang het nodig is.

> *Maar niet met steen*
> *en hout alleen*
> *is 't grote werk gedaan*
> *'t Zal om onszelve gaan.*

> *Valerius' Neder-landtsche gedenkclanck (1626)*
> *Gezang 320, Liedboek voor de kerken (1973)*

Referenties

Bengtsson, B. (2009). Political Science as the missing link in housing studies. *Housing Theory and Society*, 26(1), 10–25.

Brown, K., & Keast, R. (2003). Community –government engagement: Community connections through networked arrangements. *Asian Journal of Public Administration, 25*(1), 107-132.

Castells, M. (1996). *The rise of the network society: The information age: economy, society and culture, Volume I.* London: Blackwell.

De Bruijn, J.A., & Ten Heuvelhof, E.F. (1991). *Sturingsinstrumenten voor de overheid; over complexe netwerken en een tweede generatie sturingsinstrumenten.* Leiden: Stenfert Kroeze.

Davies, J. (2011). *Challenging governance theory.* Bristol: The Policy Press.

Frissen, P. (2002). *De Staat.* [The State]. De Balie: Amsterdam.

Habermas, J. (1987). *The theory of communicative action, Vol. 2,* Cambridge: Polity Press.

Hall, P., & Soskice, D. (2001). *Varieties of capitalism: The institutional foundations of comparative advantage.* Oxford: Oxford University Press.

Jessop, B. (2002). *The future of the capitalist state.* Cambridge: Polity Press.

Bradach, J.L., & Eccles, R.G., (1989). Price, authority, and trust: from ideal type to plural forms. *Annual Review of Sociology, 15,* 97-118.

Keast, R., Mandell, M., & Brown, K. (2007). Getting the right mix: Unpacking integration meanings and strategies. *International Public Management Journal, 10* (1), 9–14.

Kemeny, J. (1995). *From public housing to social market: rental policy strategies in comparative perspective.* London: Routledge.

Koppenjan, J., & Klijn, E.H. (2004). *Managing uncertainties in networks: a network approach to problem solving and decision making.* London: Routledge.

Lindblom, C.E., (1959). The science of 'muddling through'. *Public Administration Review,* (19), 79-88.

Pestoff, V. (2014). Collective action and the sustainability of co-production. *Public Management Review, 16*(3), 383–401.

Priemus, H., (2004). Housing and new urban renewal: current policies in the Netherlands. *European Journal of Housing Policy.* 4(2), 229- 246.

Simon, H. (1955). A behavioural model of rational choice. *The Quarterly Journal of Economics, 69*, 99-118.

Stewart, A. (1998). *The ethnographer's method.* Sage Publications: London.

Swyngedouw, E. (2005). Governance innovation and the citizen: The Janus face of governance-beyond-the-state. *Urban Studies, 42*(11), 1991–2006.

WRR (Wetenschappelijke Raad voor het Regeringsbeleid). (2005). Vertrouwen in de buurt [Confidence in the neighbourhood]. Den Haag: WRR.

Curriculum Vitae Gerard van Bortel

Gerard van Bortel was born on November 8 1963 in Breda. He followed a rather long but 'scenic' educational route. After finishing his general secondary education (MAVO) in Breda, he followed a vocational technical study Architecture in the same city. During that study, he became inspired by affordable housing and urban regeneration, and followed the specialized Social Housing track at the Tilburg Polytechnic Architecture department (HTS). He attained his title as Architectural Engineer (Ing.) in 1989 with a study on the regeneration of a deprived housing estate in the city of Groningen.

After completing his alternative military service, he started working for housing associations in Zwolle (SAVO, later DeltaWonen) and Groningen (De Huismeesters) in various functions: housing officer, ICT-officer, quality manager, manager of a Research and Development department and, finally, senior strategy consultant. Parallel to his career in housing, Gerard continued studying in part-time. After attaining his propedeuse in Economics at the University of Amsterdam, he studied Organisational Sciences ('Bedrijfswetenschappen') at the Open University. In 2003 he attained his Masters title with a thesis exploring the link between the organisational strategies and performance of Dutch housing associations.

In 2004, Gerard quit his job at housing association De Huismeesters in Groningen, and moved with his wife (Neeltje Reijnders) and two young children to Belgium were Neeltje became a Minister in Brussels for the United Protestant Church of Belgium. It proved to be a pivotal year. Without employment, Gerard started to look for new opportunities in the domain of social housing. This exploration led to a career shift with to a stronger focus on consultancy, research, training and education. He became a social housing strategy consultant working for the Amsterdam-based firm RIGO Research en Advies. Parallel to his work for RIGO, Gerard conducted a study on governance networks in neighbourhood regeneration in The Hague working as an independent researcher for the OTB Research Institute for the Built Environment, part of the Delft University of Technology.

Working for OTB Gerard's ideas to do a PhD matured. He started his PhD in 2005 under supervision of Prof. Dr. Ir. Marja Elsinga, Prof. Dr. Peter Boelhouwer (both TU Delft) and Prof. David Mulins. In 2007 Gerard left RIGO and started working at OTB, were he specialised in studies on social housing governance and institutions. In 2013 Gerard moved to the TU Delft Real Estate and Housing department, part of the Architecture faculty, to strengthen the balance between governance & management and research & education in his work.

Parallel to his work for the TU Delft, Gerard is chair of a supervisory board of housing association Parteon and chair of the Audit Board ('Visitatieraad') that assesses the performance of Flemish housing associations. Gerard is a proud father of a teenage son (Gideon, 17) and daughter (Emma, 15) and lives with his family just north of Amsterdam, in Krommenie, after their return from Belgium in 2009.