Diversifying tenure on public housing estates, it is frequently claimed, helps to create a healthy social mix and leads to the establishment of balanced communities. This viewpoint stems from the perception that social and economic problems are reinforced on certain estates by the concentration of disadvantaged households. Residents in these areas, it is maintained, are isolated from the wider community, have fewer opportunities to gain education and employment, and are more likely to be engaged in anti-social behaviour (or suffer their effects). Diversifying tenure, it is suggested, remedies these problems, creates ‘social capital’ and leads to a more sustainable social environment. While this perspective has reinforced the strategy of sale and transfer of stock in neighbourhood regeneration over the last decade in both Australia and the UK, early evidence in both contexts question the effectiveness of the strategy.

Introduction

Tenure diversification strategies have been an important part of the operational management plans of a number of Australian state housing authorities since the early 1990s (Commonwealth of Australia, 1993 and Mant, 1992) and emerged in Britain within the Thatcher administration’s agenda of ‘rolling back the welfare state’ in the late 1980s. In Australia these early initiatives were usually justified on the basis of a range of asset management objectives – enhancing the value of the remaining public assets on larger estates and achieving “asset sustainability”; reducing housing management costs; and assisting in stock reconfiguration and dispersal to new areas to reflect new patterns of demand (Commonwealth of Australia, 1993). These, together with the straightforward goal of promoting home ownership and alternative housing options, particularly for lower income households and public housing tenants, have all been cited to support tenure diversification strategies (SAHT, 1998; NSWDOH, 1999). Strategies of this nature were also clearly set within the context of an era of continuing fiscal restraint that imposed limitations on funding options for public housing assistance. In principle, this contrasts with the early British position which was
apparently more concerned with macro-economic policy than with the management of assets. In fact, while in Australia, the sale of stock was predicated on re-investment and the building of new public housing, in Britain diversification was pursued as a means of incrementally shifting the provision of housing out of the public sector and severe constraints on any of the capital raised (Malpass, 1992).

Interestingly, in more recent times, the rationale has shifted and it is now more common in both contexts to see tenure diversification initiatives justified on the basis that they assist in the prevention of a range of socio-economic problems at the level of the neighbourhood. This is a direct response to the perception that the social and economic problems experienced by individual households are reinforced on public estates by their concentration: that residents in these areas are isolated from the wider community, have fewer opportunities to gain education and employment and are more likely to suffer poorer mental and physical health as a result of their isolation (SEU, 1998; Randolph and Judd, 2000 and Spiller Gibbins Swan, 2000). As a result, a strong line of policy logic has developed which more or less explicitly maintains that tenure diversification leads to an increased social mix in areas with previously high concentrations of public housing and consequently helps create more “balanced” and therefore more stable communities. Thus, tenure diversification is cast as a means for improving social cohesion within disadvantaged areas rather than simply a mechanism of asset management or part of an economic rationalist agenda (Forrest, 2000 and Arthurson, 1998).

Drawing on the existing Australian and British experience this paper explores the veracity of this policy perspective. It highlights the lack of empirical evidence in support of the practice and raises a series of conceptual problems for those wishing to test its validity.

**Tenure diversification policies**

The most significant factor in transforming the tenure make up of public estates has been the policy of permitting and encouraging individual tenants to purchase their homes through the Right to Buy in Britain and similar arrangements at various times across the States of Australia (Malpass and Murie, 1999 and Hayward, 1996). However, this is not now generally understood to be a mechanism for achieving social mix. Evidence suggests that ‘Right to Buy’ policies have had a differential effect, ensuring that more desirable estates, with higher proportions of employed tenants, achieved high levels of sales, where ‘lower status’ estates had a very limited take-up. While, Forrest suggests that social polarisation would have taken place regardless of the ‘Right to Buy’, it is

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1 This paper draws on research material derived from an Australian Housing and Urban Research Institute (AHURI) funded project examining Neighbourhood Renewal in three States (New South Wales, Queensland and South Australia). A subsequent project examining tenure diversification policies is currently in its early stages.
clear that the policy has facilitated the filtering process resulting in increased homogeneity, rather than heterogeneity, in both the desirable and undesirable public housing estates (Forrest, 2000). In any case, it is generally held that the large-scale take up of these home purchase options has been exhausted, with most of the remaining stock constituting a residual public housing sector (Malpass and Murie, 1999). Increasing social mix, in contrast, requires the inward migration of those who would not otherwise have become residents on the estate. Again, however, this should be distinguished from gentrification per se which leads eventually to the ‘displacement of the original population’ altogether (Cole and Goodchild, 2001). These points are important as they reveal the tendency of social polarisation, in what is essentially a free market, regardless of policy interventions.

Current policy differs in that it normally involves the sale or transfer of stock or cleared sites to external developers. In the UK this invariably involved a mix of private developers and social landlords, while in Australia the community-housing sector has only had a limited involvement. Also, while in the UK there is provision for the housing authorities to pay a ‘dowry’ as part of the transfer, in recognition of the negative value of much of the aging public sector stock, in Australia, land values normally permit authorities to raise considerable amounts of equity in the sale process.

Notable examples of this strategy in Australia include various Urban Improvement Programs undertaken by the South Australian Housing Trust since the early 1990s the New Living Program undertaken by the Ministry of Housing in Western Australia and the Urban Renewal Program in Queensland. Table 1 summarises Arthurson’s (1998) findings for these states. In New South Wales where there are currently greater concentrations of public housing (up to 100% on some estates) diversification programs of this nature are only now being explored (NSWDOH, 2001).

In Australia, the relationship between tenure mix and social problems was explored as part of the Commonwealth’s Better Cities Program (Commonwealth of Australia, 1993) and the policy has become something of an established orthodoxy across the country as a whole. Concerns about the concentrations of public housing and the balance of the tenure mix are explicitly raised in the current Bilateral Housing Agreements2 of South Australia, Western Australia, Queensland and the Australian Capital Territory. While there is no direct reference to tenure diversification in the other Bilateral Housing Agreements all note the problems associated with the concentration of disadvantaged groups such as welfare recipients, the unemployed and single parents (Commonwealth of Australia, 2000). The strength of this unanimity is matched however by the resolute failure to explain the rationale for the policy. Only South Australia proffered any justification for tenure diversification in their agreement. They

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2 The Bilateral Agreements that each State and Territory enters into with the Commonwealth of Australia under the Commonwealth State Housing Agreement.
state, for example, that reducing concentrations of public housing and developing a greater mix of tenures avoids ‘compounding disadvantage through housing decisions’ and that involving the private sector increases ‘opportunities for social and economic participation within disadvantaged areas’ (Commonwealth of Australia, 2000).

**Table 1: Summary of Estate Redevelopment across South Australia, Queensland and Western Australia.**

<table>
<thead>
<tr>
<th>State</th>
<th>Project</th>
<th>Commenced</th>
<th>Nos and Concentration (%) of publicly rented stock before redevelopment</th>
<th>Concentration (%) of publicly rented stock after redevelopment</th>
</tr>
</thead>
<tbody>
<tr>
<td>SA</td>
<td>Mitchell Park Rosewood: Stage 1</td>
<td>1987</td>
<td>1,200 (45%)</td>
<td>25%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>227 (70%)</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1992</td>
<td>740 (57%)</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1994</td>
<td>350 (40%)</td>
<td>6%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1995</td>
<td></td>
<td></td>
</tr>
<tr>
<td>QLD</td>
<td>Riverview Leichhardt</td>
<td>1995</td>
<td>500 (53%)</td>
<td>unknown</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Stage 1: 156 (90%)</td>
<td>unknown</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Stage 2-4: 412</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>164 (41%)</td>
<td>unknown</td>
</tr>
<tr>
<td>WA</td>
<td>Kwinana</td>
<td>1995</td>
<td>1320 (40%)</td>
<td>14%</td>
</tr>
</tbody>
</table>

Source: Adapted from Arthurson (1998)

More recently the New South Wales Department of Housing has expanded on these arguments and the following two groups of interconnected points, among others, are presented in support of reducing concentrations and diversifying social mix:

1. The large-scale concentration of residents with severe disadvantage means that they see little of what life might be like in a more socially mixed neighbourhood. Where there are few people in the paid workforce, there are few, if any, models of the benefits of employment, both socially and economically.

2. Access to employment becomes even more difficult where there is little or no stimulus to the local economy from people in the paid workforce. The networks that are often vital to getting a job, do not develop where neighbours are not working. Personal contacts have been shown to be one of the main routes to a job for many people (NSWDOH, 2001 (no grouping in the original)).

A similar perspective has grown steadily since it was popularised by the influential Joseph Rowntree Report ‘Building for Communities’ (Page, 1993). Writing in a period in which housing associations had become the main new providers of ‘social housing’, Page noted that:

The development of large new estates which house seriously disadvantaged tenants on low incomes is creating unbalanced
communities and the likelihood of expensive social problems in later years (Page, 1993)

He claimed there should be a greater mixture of housing and household types in order to ensure that vulnerable and disadvantaged people find support. ‘The aim’, he maintained, ‘should be to achieve a social mix on the estate that reflects, as far as possible, the balance of household types, incomes, numbers of children and people from racial and ethnic minorities found in the wider community’ (Page, 1993).

This concern with ‘neighbourhood effects’ has subsequently emerged in the British New Labour policy agenda. Initially trumpeted by the Social Exclusion Unit (SEU, 1998), which was established by Blair shortly after his 1997 election victory, the principle of ‘social mix’ is now evident, to varying degrees, in a series of policy documents across the UK. In England, the Housing Green Paper (UKDETR, 2000a) proposed planning for mixed housing in existing and new developments and recommended that housing authorities should be encouraged to promote greater social diversity by amending their allocation policies. Recent planning guidance also promotes the creation of ‘mixed and inclusive’ communities (UKDETR, 2000b). Scottish Homes (the National Housing Agency for Scotland) revised its statement of purpose to include, in addition to the provision of good quality housing, the stimulation of ‘self-motivated communities’ (Scottish Homes, 1997), implying that ‘something must be wrong with the social dynamics of existing ones’ (Atkinson and Kintrea, 2001a). Scottish planning guidance has, however, remained unchanged (Atkinson and Kintrea, 2001a).

Once again, however, while the idea of ‘social mix’ has generated considerable policy attention there has been a noticeable lack of clarity about what the policy is supposed to achieve and little empirical evidence in support the assertions that have been made.

**Have social mix objectives been achieved through tenure diversification?**

Where commentators (Jupp, 1999; Forrest, 2000; Atkinson and Kintrea, 2001a and 2001b; and Cole and Goodchild, 2001) highlight the objectives of social mix they normally identify one or more of the following attributes:

- Promotes more social interaction and social cohesion;
- Encourages mainstream norms and values;
- Creates social capital;
- Opens up job opportunities;
- Overcomes place-based stigma;
- Attracts additional services to the neighbourhood;
- Leads to sustainability of renewal/regeneration initiatives;
Empirical evidence for the practice of tenure diversification, while limited, appears, nevertheless, to be weighted against these outcomes.

Research conducted in the UK context has questioned the extent to which tenure diversification has resulted in higher levels of social interaction between renters and owner-occupiers. Atkinson and Kintrea’s (2001b) study on three diversified estates in Scotland revealed that owners occupied largely different social worlds spending much of their time away from the estates and using local facilities far less than renters. There was also little evidence of inter-tenure socialising (Atkinson and Kintrea, 2001b). A similar picture can be found in Jupp’s (1999) earlier study where it was found that ‘most relatively new mixed estates were not characterised by inclusive social networks’. Only 20% of respondents to a survey of residents could ‘ask for help or advice’ from a resident of a different tenure and that ‘no significant correlation existed between residents overall feelings about the estate and their perception of whether mix causes problems or not’. Jupp maintained that street level mixing is better than zoning and claimed that the policy agenda should be ‘to develop the positive features of community’ (1999). However, much of the tenure diversification that has occurred in the UK has resulted in the segmentation and division of neighbourhoods, rather than tenure integration within streets, often increasing rather than reducing division. Wood and Vamplew (1999), for example, describe the experiences of regeneration in two neighbourhoods in the North of England where large sections of the existing stock had been demolished and re-developed by private builders and housing associations. In one area residents claimed that the occupants of the new houses were perceived as outsiders and therefore ‘separate or isolated from the rest’ (the estate had in effect been cut into three segments and there were clear tensions between the owners, housing association tenants and council tenants). In the other area, which had undergone diversification somewhat earlier, the initial enthusiasm had dissipated as the value of private houses had dropped and growing numbers of private and housing association properties became empty, boarded up and vandalised (Wood and Vamplew, 1999).

While similar research in Australia is at an early stage, the emerging picture reflects this view. There is, for example, evidence that existing residents resent the introduction of what they perceive to be ‘more affluent’ households into their estates. The following transcript extract, taken from an interview with a private developer, in a recent AHURI research project, illustrates the point:

[An employee] found a lady walking her son home and her son was dragging a stick in the fresh concrete. … [He] took her to task over it and said it’s costing a whole lot of money here what are you doing that for and she said I’m just showing you what I think of the new people that will be moving in here. … So the whole integration/cohesion issue is going to be a major challenge, I think. … It really hit me … how ingrained some of
those attitudes are and what some of the new residents moving in are likely to face.

Integration may therefore lead to increased tensions rather than social cohesion or harmonious integration.

The idea that social mix leads to the introduction of mainstream norms and values is predicated on the notion that the existing norms and values of public housing estate residents diverge from those held by wider society. This perspective stems from the largely discredited ‘underclass’ thesis – ‘the poor are poor because they are morally inept’ - popularised in the 1990s by Murray (1994). Most evidence suggests that values are in fact largely similar (Dean and Taylor Gooby, 1992) but even if there were differences the argument would be refuted by the earlier point – tenants are largely isolated from the newer owner-occupiers. Similarly, the suggestion that social mix leads to the creation of social capital – normally defined, after Putnam (1995), as ‘networks, norms and social trust that facilitate co-ordination and cooperation for mutual benefit’, should be questioned on the same basis – notwithstanding the conceptual difficulties with the concept itself (Fine, 2001).

The notion that tenure diversification opens up job opportunities rests primarily on the assertion that by introducing employed owner-occupiers into a neighbourhood, isolated tenants have the opportunity to broaden their employment horizons. While there is some empirical evidence to show that there are reductions in joblessness associated with the introduction of owner-occupation this is normally linked with the ‘dilution’ effect of importing employed people onto estates rather than through an increase in opportunities for unemployed tenants to access the job market (Tarlin et al, 1999 and Scottish Homes, 1999). However, the general thesis that personal networks are especially important to the poor in finding jobs is supported by labour market research in the US (Bauder, 2002).

There is, in contrast, a degree of support in the literature for tenure diversification as a strategy for overcoming stigma (Atkinson and Kintrea, 2000). This almost certainly emerges from the cogency of stigma as a neighbourhood effect. Several studies have highlighted the way in which postcode prejudice can operate to reduce employment opportunities and reinforce social polarisation (Atkinson and Kintrea, 2001b) but the assertion that diversifying tenure will overcome this problem represents something of an article of faith. The concentration of public housing has not always resulted in stigma and exclusion from the workforce; rather it is increasing residualisation that has reinforced the stigma. As Wood and Vamplew (1999) have demonstrated tenure diversification on historically disadvantaged estates is not a sufficient condition for overcoming stigma. Continued residualisation may, however, make it a necessary condition. It should also be noted that where diversification might appear to succeed this
might ultimately be due to the exclusion of certain sectors of the existing population (Cole and Goodchild, 2001).

A broadly similar point may be made in relation to the argument that tenure diversification attracts additional or improved services to a neighbourhood (Rosenbaum et al., 1998) – an outcome that has, to date, not apparently been subject to empirical investigation. Arguably, additional private services will only be attracted if there is considered to be a market for their services and this depends therefore on the achievement of social mix. If stigma remains in these areas it is more likely that buyers will come from similar ‘low-income’ socio-economic groups to existing residents. In relation to public services, the argument could be reversed. Often specialist services are targeted directly at those localities with the greatest need. If tenure diversification changes the social mix, additional resources might be lost.

This raises the question of sustainability. The idea presented in both Australia and Britain is that past programs have failed because they have been focussed on physical issues rather than the underlying social and economic causes of disadvantage. Promoting social mix together with other ‘community building’ initiatives, it is often argued leads to sustainable renewal. The idea, in short, is that socially mixed communities are more likely to ensure that the ‘gains’ that have been made through renewal are maintained. This relates to the social capital argument mentioned earlier. Forrest notes, for example, that:

> Neighbourhoods where existing levels of trust and reciprocity are weak will lack the qualities which can create and sustain voluntary association and partnership (Forrest, 2000)

The focus on community building is by no means unanimous, however, and a recent tendency is to question some of the underlying suppositions. Kleinman, for example, has questioned the usefulness of community facilities and self-help initiatives – ‘things which better off areas don’t have, or don’t have much of’ - and questions whether social order requires social cohesion (Kleinman, 1998). This theme is also raised by Atkinson and Kintrea who suggest that community-based responses ‘unreconstructed’ introspection. Despite their scepticism about the veracity of tenure diversification to tackle neighbourhood effects and despite seeing community participation as a means for the effective demand for more resources, they maintain that ‘a serious insistence on community based approaches is unlikely to favour what [they] believe to be the better approach of desegregation’ (Atkinson and Kintrea, 2001a).

This leaves researchers wishing to examine the policy of tenure diversification in a conceptual minefield with a range of issues that need to be clarified before any realistic evaluation can be made. The closing section of this paper aims to raise some of the more obvious conceptual problems.
Conceptual problems in the study of tenure diversification

A significant issue to be addressed in studies of tenure diversification is the clarification of objectives and an understanding of what outcomes would be deemed successful. What for example would constitute an acceptable social mix and what would a balanced community actually look like? Cole and Goodchild (2001), for example have suggested that it could be 'equally plausible to argue that more mixed neighbourhoods will in fact engender more conflicts and tensions'. Homogeneous communities may well exhibit higher levels of social cohesion. This raises the important question of what would constitute ‘social cohesion’? Kearns and Forest have, for example, suggested that the term ‘social cohesion’ is often used in a nebulous way:

… the impression is given that everyone knows what is being referred to. The usual premise is that social cohesion is a good thing, so it is conveniently assumed that further elaboration is unnecessary (Kearns and Forrest, 2000).

Nevertheless, they list what they consider to be the constituent dimensions of social cohesion:

• Common values and a civic culture;
• Social order and social control;
• Social solidarity and reductions in wealth disparities;
• Social networks and social capital;
• Territorial belonging and identity.

Their conclusion, however, is far from salutary:

A city can consist of socially cohesive but increasingly divided neighbourhoods. The stronger the ties which bind local communities, the greater may be the social, racial or religious conflict between them. The point is that social cohesion at the neighbourhood level is by no means unambiguously a good thing. It can be about discrimination and exclusion and about a majority imposing its will or value system on a minority (Kearns and Forrest, 2000).

This raises an important question: is social cohesion the objective of tenure diversification and if so what type of cohesion?

This question relates to current debates about the strong and weak ties that exist between individuals and social groups, originally proposed by Granovetter (1972). The notion is that weak ties, often outside of the immediate vicinity, provide crucial information (such as job availability) and link dose-knit groups to the wider society. In the social capital discourse this is frequently referred to as ‘bridging’ rather than ‘bonding’ capital (Winter, 2000). If this issue is to be
addressed empirically it will be necessary to tie the concept down – some question the feasibility of doing so (Fine, 2001).

A more fruitful avenue would be to explore the ultimate aim of the regeneration, of which tenure diversification strategies are a part. The notion of sustainable renewal/regeneration, in particular, needs to be examined closely. Most commentators now accept that ‘neighbourhood effects’ are only part of the broader problem of inequality. This reflects earlier social policy dilemmas. As Forrest notes, the emphasis on ‘neighbourhoods that don’t work’ might lead to the re-emergence of the structural perspective put forward in the various Community Development Project outputs in the 1970s (Forrest, 2000). Atkinson and Kintrea regularly preface their comments about neighbourhood effects with a restatement of the structural source of the problem – neighbourhood effects they suggest simply serve to ‘further intensify’ the disadvantage (2001a). While elsewhere, they opt for a ‘middle-range’ position which asserts that both structure and agency are important influences on neighbourhood problems (Atkinson and Kintrea, 2001b). This bifurcation is pivotal to the whole neighbourhood renewal agenda. What is the relationship between local intervention and structural problems? Community development has struggled with this issue since the 1970s (Popple, 1995 and Ife, 1995). The problem with the social capital/cohesion axis is that it denies the power relationships that reinforce the social polarisation that it seeks to remedy. Studies which aim to examine the contribution of tenure diversification to the process of renewal need to critical examine the relationship, if any, between the establishment of social mix and the empowerment of disadvantaged communities.

Conclusion

This paper has highlighted the emergence and prominence of tenure diversification strategies in Australia and Britain. It has noted the lack of clear objectives for the policy and the weak evidence base for the principles upon which it is, somewhat precariously, based. The literature examined here demonstrates that most of the arguments put forward for the practice of tenure diversification are at best inadequate. While the practice may contribute, in some cases, to a reduction in stigma and therefore make a positive impact for many residents the social polarisation that has occurred over the last 20 years in both settings is likely to continue unless the issues of inequality is addressed at a structural level. Whether or not tenure diversification has a role to play in neighbourhood renewal will therefore largely depend upon the extent to which the process facilitates structural change through local action.

If the question is recast to examine the factors that will allow deprived groups to ‘flourish in conditions of social, and sometimes physical, isolation’ as Atkinson and Kintrea enticingly hint (2000) the narrowly defined concepts of social capital and social cohesion will need to be replaced with a more empirically robust understanding of collective agency.
References


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Postscript

I was explaining the subject of this paper to my son (aged 11); he suggested that the idea of social mix wouldn’t work because the ‘rich people would build big walls around their houses’.