



# **Peer Review on “Housing exclusion: the role of legislation?”**

**Peer Country Comments Paper - Norway**

## **Housing for Welfare**

**Steering with soft measures within a weak framework of statutory right to housing**

**Prague (Czech Republic), 8-9 October 2020**

**DG Employment, Social Affairs and Inclusion**

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## Table of Contents

1	Introduction .....	1
2	Situation in the peer country .....	1
2.1	"The social democratic homeowner nation" .....	1
3	Assessment of the policy measure.....	1
3.1	Legislation on housing affordability .....	1
3.2	Disadvantaged in the housing market .....	3
3.3	Housing for welfare .....	3
4	Assessment of success factors and transferability .....	4
4.1	Success factors .....	4
4.2	Transferability.....	5
5	Questions .....	6
6	List of references .....	7
	Annex 1 Summary table .....	8
	Annex 2 Example of relevant practice.....	9

## **1 Introduction**

This paper has been prepared for the Peer Review on "Addressing housing exclusion without appropriate legislative support". It provides a comparative assessment of the policy example of the Host Country and the situation in Norway. For information on the host country policy example, please refer to the Host Country Discussion Paper.

## **2 Situation in the peer country**

### **2.1 "The social democratic homeowner nation"**

The rate of homeowners in Norway is almost 80%. Many of them are tenants in the rental market for short periods of time before (re-)accessing homeownership. Thus far more than 80% of the population are homeowners at some point during their lifetime. The commitment to "social" homeownership was a political choice made by the Norwegian government in the expansive period of public investment in the housing sector after Second World War. The main tool for implementing the policy at the national level was the Norwegian State Housing Bank (Housing Bank) established in 1946. Subsidized loans were provided to single households and co-operatives, with restrictions on the co-operative sector (e.g. secondhand sale).

Several governmental decisions in the eighties and nineties made fundamental changes to the housing system (Annaniassen, 2006; Sørvoll, 2011). Today Norway has a liberalised and market driven housing sector (Stamsø, 2009). The share of municipal owned and not owned but available housing for disadvantaged groups is of 11.6 available per each 1000 individuals, with wide variation between municipalities (Holmøy, 2018). Single persons letting one or a few extra dwellings represent the majority of the private rental market. The local authorities, particularly in the larger cities and towns, lean on the private rental sector to house people experiencing homelessness and other individuals in disadvantaged situations.

The Norwegian Ministries have directorates that implement policies in the fields of the Ministry's competence. In the wake of liberalization of the housing market, the Housing Bank transformed from a state-owned welfare bank to a welfare directorate subjected to the Ministry of Local Government and Modernization (KMD). The Housing Bank is responsible for implementing the housing policy at the national level. Similar to the host country, the municipalities enjoy a high degree of autonomy. The Housing Bank implements and steers the national social housing policy through soft measures.

Norway has a substantial minority population and spatial segregation is an issue in several city districts in Oslo and to some extent in other cities. Large-scale programmes target areas rather than individuals and address spatial, social and ethnic segregation. These programmes are implemented in Oslo and Bergen (the second most populated city in the country).

## **3 Assessment of the policy measure**

### **3.1 Legislation on housing affordability**

The legal framework for access to social housing is weak in Norway. Some services are statutory and granted to people as individual rights, but these do not include the right to housing. Strengthening the legal right to housing was evaluated in a green paper titled "Rom for alle" (NOU 2011:15, Norges offentlige utredninger) but was not followed by a bill.

This section presents the statutory frames for assisting individuals in a disadvantaged situation in the housing market.

Act of social services in the labor and welfare administration/NAV (the social services act)

It is the most important regulation regarding assistance to households and persons experiencing financial and/or social exclusion in the housing market. Article 15 titled 'Dwellings for disadvantaged states: "The municipality shall contribute to acquiring housing to disadvantaged persons who are not able to attend to their interest in the housing market."' The Act imposes the duty to contribute and does not guaranty an individual right to housing. Article 27 titled "Temporary accommodation" establishes that "The municipality is obliged to provide temporary accommodation for those unable to manage on their own." A case involving the national authorities responsible for the control of municipal service provision (County Governor/Fylkesmannen) settled the principle that temporary accommodation shall be provided in kind (in cash is not sufficient). Several paragraphs in the social service act are interpreted as strengthening the municipalities' obligation to assist with finding permanent housing (e.g. Article 1 titled "Objective of the Act" establishes that the Act's objective is to improve the living conditions of disadvantaged and contribute to social and financial security, including the opportunity to independent life and housing).

Act of municipal health and care services (the health and care services act) Article 3-2a establishes that the municipality is responsible for nursing homes or adequate housing organized for all-day support. The Act mainly addresses the needs of older people in a vulnerable situation and persons with severely reduced functionality, who are usually not included within the groups at a disadvantage. Also, the paragraph addresses the needs of other types of individuals, such as people experiencing long-term homelessness with addiction and/or other serious health problems.

Act of housing allowance and municipal housing subsidy (the housing allowance act): Housing allowances target low-income households and are means-tested. The eligibility criteria are comprehensively outlined in the Act. The upper income limit and the rate of the allowance are regulated by governmental decree. The Act sets the principles for the calculation of the rate. The dwelling shall be considered as adequate housing, which generally means an independent dwelling with its own entrance, bathroom and cooking equipment. The municipal housing subsidy aims at assisting disadvantaged households to permanently settle in a suitable dwelling. The Act assigns municipal case managers significant autonomy for carrying out the assessment regarding the use of the subsidy. For example, the subsidy can be used to support to buy (usually on top of a loan), re-finance a mortgage, re-settle in an adapted dwelling and improve the current dwelling. The municipalities may choose to assist a few households with a large sum or allocate smaller sums to many, or to subsidize the construction of building or buying dwellings earmarked for people at a disadvantage.

The start-up loan, introduced in 2004 and regulated by secondary law, is a subsidised loan provided by the state and managed by the municipalities. The target group is low income households that have a sufficient and predictable income to pay the mortgage for the next years. In 2014, the regulations changed which meant the strengthening of the focus on households experiencing long-term difficulties in accessing housing, particularly families with children. The management of the loans and the assessment of who should be the main target group varies among the municipalities. The housing subsidy is often allocated to top the start-up loan.

The establishment loan, regulated by secondary law, is granted to the municipalities to acquire municipal rental housing, and relending it to associations and foundations for acquiring rental housing (for social objectives) and to individuals. The municipalities are delegated the competence to establish the conditions of the loan. The Housing Bank can provide establishment loans directly to co-operatives and housing associations.

### 3.2 Disadvantaged in the housing market

Individuals at a disadvantage in the housing market are a heterogeneous group that comprises everything from people experiencing long-term homelessness with complex needs to families with dependent children who mainly experience long-term and/or serious financial hardship. There have been discussions about how to assess housing disadvantage. The number has varied widely depending on the variables used for the calculation. A calculation made by Statistic Norway assesses that 3.4 % of the population (175,000 individuals) was disadvantaged in the housing market in 2018. The criterion combines low income, overcrowding and/or high debt burden. The number has increased since 2015, which is the first year for which comparable figures are available. One possible explanation of the increase is the high number of refugees entering the country in 2015-2016 who need time to settle. Another explanation is a substantial increase in house prices in urban areas.

Norway has a time series of figures concerning people experiencing homelessness over a period of 20 years. A national registration of homelessness using a new and widely accepted definition and a new method was conducted for the first time in 1996 and was repeated six times. The last time was in 2016. Currently, the seventh is in preparation. Homelessness is operationalised as someone without an owned or rented dwelling, and who is in one of the following situations: 1) has no place to stay for the night, 2) is referred to an emergency or temporary shelter accommodation, 3) is in the correctional services and due to be released within two months, 4) is in an institution and due to be discharged within two months, 5) lives with friends, acquaintances or relatives on a temporary basis. The definition corresponds with the ETHOS categories of homelessness and some of the generic categories of housing exclusion. The registration is carried out within a time window of one week and shows a cross section of the population experiencing homelessness. The number of people experiencing homelessness increased steadily and reached a peak of 6,200 persons in 2012 and fell to 3,909 in 2016.

Specific groups targeted in the present programme are elaborated in the next section.

### 3.3 Housing for welfare

Since 2000, the government has initiated several social housing programmes targeting persons and households at a disadvantage. The first two programmes were specifically tailored to combat homelessness.<sup>1</sup> The prevailing programmes *Housing for Welfare – National strategy for housing and support services (2014-2020)* and *the Housing Bank's municipal program* have a wider scope.

Housing for Welfare is initiated by the Ministry of Local Government and Modernization (KMD). Based on the understanding that housing exclusion is connected to complex structural and individual problems, the strategy is supported by the five welfare ministries: Ministry of Children and Families, Ministry of Health and Care Services, Ministry of Justice and Public Security, and Ministry of Labour and Social Affairs. The strategy has three main objectives: 1) Everyone should have a good place to live, 2) Everyone with the need for services, will receive assistance in managing their living arrangement, 3) Public effort shall be comprehensive and effective. The three objectives are concretised in seven prioritised focus arenas.

The strategy document emphasizes three target groups: Persons and households without their own home, at risk of losing their home, and living in unsuitable housing or living conditions. A special focus is set to assist families with children and young people, and thus link to the government's action plan against child poverty. Another objective is preventing evictions, both in cooperation with the bailiff and to support households to prevent cases of legal action. The strategy further addresses gaps in the

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<sup>1</sup> Project Homeless 2001-2004. Pathway to a permanent home – National strategy to prevent and combat homelessness 2005-2007, peer reviewed under the European Commission (Edgar 2006).



follow-up services by release from prison and discharge from institutions. The strategy is also concerned with the quality of the dwelling, both in the private rental market and municipal housing, and the living environment.

In 2009, the Housing Bank initiated *the Housing Bank's municipal program*, addressing social housing problems on a broad basis. The foundation of the programme is that the Housing Bank and the municipalities engage in a mutual commitment and long-sighted cooperation to address and reduce exclusion in the housing market. The programme is directed towards the municipalities with the most challenging social housing problems, which also means that all the cities and most large municipalities participate. At present 70 of the 356 municipalities participate in the programme. The participating municipalities are prioritised regarding access to start-up loan and the establishment loan. Some of the municipalities have participated from the beginning, whereas others have been included during the ten years of operation, and very few have left the programme. To enter the programme, the municipalities are obliged to commission an independent assessment (research/consultancy) of the local social housing challenges.

Developing competence about how to address housing needs in a broad sense, was on the agenda from the very first initiative launched in 2000. Through the Housing Bank, national funding, *Competence grant*, was available for the municipalities, NGOs, educational institutions and research. The grant increased throughout the 2000's and reached a peak in 2016 (scaled down and partly added to the general transfer from state to municipalities). The fund was earmarked for competence building projects and innovation. The Norwegian Labour and Welfare Directorate made available funding for developing follow-up support in housing for (former) people experiencing homelessness and persons with addiction, a scheme that is still running.

Finally, the Housing Bank's initiative towards the municipalities to develop local social housing plans started around 2000. One objective is to include the social housing field into the general planning and increase the status of and political attention to the field of social housing. Initiating the local social housing plans was assessed as a successful initiative (Råd & Sollien, 2003).

## 4 Assessment of success factors and transferability

### 4.1 Success factors

The number of persons at a disadvantage has increased during the last three years, which is largely explained by structural causes (see above). On the other hand, the number of people experiencing homelessness has seen a decrease of 36% in four years, which is exceptional among EU Member States (including EEA). People experiencing homelessness constitute a small group in Norway and even a smaller minority of the population at a disadvantage, but since the homeless registrations have released comparable figures in two decades, these developments are a good indicator of achievements in social housing policy.

The most important success factors are the following:

- **Long-term and continuous effort and programmes for 20 years:** The first programme (2001-2004) started by addressing homelessness in particular. Recognising that homelessness is the most severe situation of housing exclusion, the proceeding programme (2005-2007) widened the scope to address the risk of homelessness (e.g. evictions). The prevailing programme, Housing for Welfare (2014-2020), embraces a wide definition of housing exclusion including prevention of homelessness and a strong focus on poverty.
- **A joined-up government and the anchoring of the social housing policy in several governmental policy fields,** is of importance for success. The joined-up government element was introduced with the *Pathway to a*

*permanent home* (2005-2007) and reinforced in the prevailing strategy, *Housing for Welfare*. Joined-up governing is particularly necessary in housing since it has a weak legal foundation. Cooperation between policy sectors takes different shapes. One example is the cooperation agreements between stakeholders that are applied at the national, regional and local levels, both vertically and horizontally (e.g. between the regional correctional services and surrounding municipalities about obligation to provide housing by release from prison). Housing issues and a call for solving the client's/patient's/inmate's housing problem is embedded in several steering documents and reports from the welfare ministries.

- **Building competence in the Housing Bank, in the municipalities and in the formal education system:** The Housing Bank's transformation from a bank to a welfare directorate, and working together with the local authorities to build competence and develop a field of comprehensive social housing work is a major success factor. Competence building has taken place both during the practical work and through the exchange of experiences between municipalities, as well as through the formal education system. The Housing Bank has facilitated platforms of exchange and supported financially further educations in social housing work. One of the most successful tools is Veiviseren.no (The Wizard), explained in Annex 2.
- **The peer review of the Norwegian strategy against homelessness (2005-2007) emphasizes the importance of a housing led strategy** (Edgar 2006). Homelessness is more often defined a social and not a housing problem, and thus taken care of by the social policy sector. With the Housing Bank as the main stakeholder and national co-ordinator, the perspective on the client's housing needs has guided the policy from the very beginning as homelessness was hardly addressed before the first homeless survey in 1996. The shift in the Housing Bank's responsibilities and role resulted in the creation of a directorate that could develop and implement a social housing policy targeting people experiencing homelessness and other groups at a disadvantage.

## 4.2 Transferability

The housing market in both the Czech Republic and Norway is dominated by homeownership, and both have a low share of municipal housing. Another similarity is that local authorities enjoy a high degree of autonomy in general and particularly regarding housing policy, which calls for soft steering measures.

Although there are several Acts regulating social housing, the legal right to housing has a rather weak position in both countries. In Norway, a suggestion to strengthen the legal character of the right to housing is discussed in the green paper "Rom for alle" (NOU 2011:15, Norges offentlige utredninger). A review of the existing legal framework suggests that, with reference to international conventions, the individual right to housing should be made statutory. The review further concludes that follow-up and other services related to securing a good housing situation are adequately addressed in the legal framework (Kjellevold 2011). The suggestion was not followed by a bill. The Norwegian Government has stepped up its social housing policy, but the individual statutory right to housing has not been further developed through any legal initiative after 2011.

Another common feature of the social housing field is that both countries implement policy through specific programmes. Norway has had four programmes in a period of 20 years (the last has not ended yet). The Czech Republic is running a ten-year programme (2015-2025), which is longer than any governmental programme in Norway. The exchange of experiences with regard to implementing social housing programmes in the long term and within the context a weak legal framework is of interest and could be valuable.

One difference between the countries that may play a role in implementing the policy is that the Norwegian Ministries have specialised directorates that execute and implement the policy (each ministry has several directorates or other agents). The directorates have closer contact with the regions and the municipalities and develop instrument to guide, advice and (in some fields, not housing) instruct the local authorities.

## **5 Questions**

- Does the host country have an operational definition of homelessness? Is homelessness measured (for example by a survey, a city count). If yes, what is the number of people experiencing homelessness?
- What is the composition of the private rental market?
- NO got the impression from the host country paper that the municipalities are in shortage of public housing for households/persons defined/presenting themselves as disadvantaged. How do people at a disadvantage solve their housing problems in the long term, with or without assistance from the local authorities?
- How does the allocation process of publicly owned housing look like more in detail (e.g. criteria, priorities between groups)?
- What have been/are the obstacles against proceeding with the Act on the right to housing? What are the arguments against the Act?

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## **Annex 1 Summary table**

The main points covered by the paper are summarised below.

### **Situation in the peer country**

- Market driven housing policy, 80% homeowners, small public rental sector
- Selective housing policy targeting groups at a disadvantage, including people experiencing homelessness
- The Housing Bank, a directorate under the Ministry, implementing the policy
- Autonomous municipalities
- The implementation of the national policy relies on soft measures

### **Assessment of the policy measure**

- Weak legal framework (no individual right to permanent housing)
- Financial means: housing allowance, start-up loan, subsidy and establishment loan
- 20 years with national programs targeting homelessness and exclusion in the housing market
- Housing for Welfare. National strategy for social housing work (2014-2020)
- The Housing Bank's municipal programme embracing the cities and large municipalities

### **Assessment of success factors and transferability**

- Joined-up government between five ministries and directorates supporting Housing for Welfare
- Broad political anchoring and co-operation between political sectors
- Building housing social competence through innovative praxis, exchange of experience and through the education institutions (further education courses)
- From "housing led" homelessness programmes to addressing the housing problem in a wider scope, but still "housing led" policy.
- Specialised directorates execute and implement the national policy

### **Questions**

- Does Czechia have an operational definition of homelessness and a method for measuring homelessness?
- What is the composition of the private rental market?
- How do municipalities and/or disadvantaged households solve their long-term housing problems?
- More specifically, what is the allocation criterion for public/municipal dwellings?
- What are the main arguments against passing the bill on the right to housing?

## Annex 2 Example of relevant practice

Name of the practice:	Veiviseren.no (translation: The Wizard). <a href="https://www.veiviseren.no/">https://www.veiviseren.no/</a>
Year of implementation:	November 2016
Coordinating authority:	Owned by six directorates: The Norwegian Directorate for Children, Youth and Family Affairs, the Norwegian Directorate of Health, the Housing Bank, the Directorate of integration and diversity, the Directorate of Norwegian Correctional Service, the Norwegian Labour and Welfare Directorate. Veiviseren.no is co-funded and run by an editorial team with representatives for all the directorates. The Housing Bank has the coordinating role.
Objectives:	All information gathered at «one place» A digital information and guidance resource for the municipalities comprising all issues concerning housing including follow-up and other services, and the most extensive measure under the strategy <i>Housing for Welfare 2014-2020</i> .
Main activities:	<p>Veiviseren.no is a digital platform with a wide range of information and activities.</p> <ul style="list-style-type: none"> <li>• Legislation on all aspects of housing and related services</li> <li>• Public measures, e.g. Housing for welfare, the Escalation plan against addiction, Action plan against child poverty</li> <li>• Competence, including research and other recourses</li> <li>• Examples and experiences from municipalities and others</li> </ul> <p>The web site uses a wide set of tools to spread and exchange information, competence and experience. E.g. a video about FACT-team; the target group and how the team is organised and works and a video about Housing First with additional written material (February 20<sup>th</sup> 2020).</p> <p>The information is updated 24/7 to ensure that users access information that is reliable. Feedback from municipalities and other users is followed up directly.</p> <p>A reference group including municipalities and other stakeholders (a total of 800 persons) was involved in building the platform.</p>
Results so far:	The number of users has increased continually since the launch in 2016. The average number of independent users each week in 2020 is 2.400, which constitutes an increase from the weekly average of 20.000 independent users registered in 2019.

