

## Κοινωνική Πολιτική

Τόμ. 14 (2021)



### Housing and the Social Investment State: An Underestimated Relationship

*Matthias Drilling, Semhar Negash, Berihun Wagaw*

doi: [10.12681/sp.29076](https://doi.org/10.12681/sp.29076)

Copyright © 2021, Matthias Drilling, Semhar Negash, Berihun Wagaw



Άδεια χρήσης [Creative Commons Αναφορά 4.0](https://creativecommons.org/licenses/by/4.0/).

### Βιβλιογραφική αναφορά:

Drilling, M., Negash, S., & Wagaw, B. (2021). Housing and the Social Investment State: An Underestimated Relationship. *Κοινωνική Πολιτική*, 14, 35–49. <https://doi.org/10.12681/sp.29076>

# Κοινωνική Πολιτική

## Social Policy

**Special Issue: Social Policy and Housing:  
Insights from Europe and Greece**

Guest Editor: Nikos Kourachanis

**Nikos Kourachanis**

Introduction: Housing and Social Policy in  
a Landscape of Multiple Crises

### **Part A: Aspects of Social Policy and Housing in the European Welfare States**

#### **Άρθρα / Articles:**

**Eoin O'Sullivan**

Measuring Homelessness: Implications for Policy

**Matthias Drilling, Semhar Negash, Berihun Wagaw**

Housing and the Social Investment State: An Underestimated Relationship

**Eva Betavatzi and Eric Toussaint**

How Private and Public Debt Crises Exacerbate Housing Problems in the EU

**Isabel Baptista and Miguel Coelho**

Homelessness Service Provision in a Southern European Country: An Evolving  
Sector Framed by the Portuguese National Homelessness Strategy

**Ana Vilenica, Tonia Katerini and Maša Filipovič Hrast**

Housing Commodification in the Balkans: Serbia, Slovenia and Greece

### **Part B. Aspects of Social Policy and Housing in Greece**

#### **Άρθρα / Articles:**

**Thomas Maloutas**

Housing as a Social Issue in Greece before and during the 2010s

**Vassilis Arapoglou, Constantine Dimoulas and Clive Richardson**

Counting the Homeless in Greece

**Antonios Roumpakis and Nicholas Pleace**

Preventing Family Homelessness: Evidence from Service Provision in Greece

**Dimitra Siatitsa**

Youth Housing in a Context of Socio-economic Insecurity: The Case of Greece

**PART A**

**ASPECTS OF SOCIAL POLICY AND HOUSING  
IN THE EUROPEAN WELFARE STATES**

# Housing and the Social Investment State: An Underestimated Relationship

Matthias Drilling<sup>1</sup>, Semhar Negash<sup>2</sup>, Berihun Wagaw<sup>3</sup>

## Abstract

The concept of the social investment state is currently the guiding concept for transforming the European welfare states. With the objective of “preparing instead of repairing” and its outstanding significance of the labour market, it is a marked counter-project to the Keynesian-Beveridge paradigm where welfare is provided through a (re)distributive lens of compensations. Instead, Europe is continuously transforming the educational programmes, family friendly policies etc. towards a labour market oriented regime that subordinates social policy. This paper discusses the role of housing and neighbourhood: the social investment approach does not position this policy field extensively, which means that it does not attach any importance to housing. This understanding is criticized in this article using the example of forced migration. It is argued that housing is a central pillar for achieving the goals of the social investment state. Not investing in housing accordingly can be interpreted a failure of the social investment approach.

**Keywords:** social investment; neighbourhood; refugees; housing; Eritrea; Ethiopia; welfare state

## Introduction

Throughout Europe the social investment concept is a future-oriented policy that invests especially in instruments and infrastructure to qualify for participation in the labour market and by thus preventing social problems associated with low levels of education (Busemeyer et al. 2018, EC 2018). Even when different social investment *regimes* can be described the social investment *approach* is currently the central normative vision for the restructuring of European welfare states and their social policies (Bonoli 2009; Deeming & Smyth 2015). The OECD reports (especially OECD 2011;

---

1. Professor, Head of Institute Social Planning and Urban Development, School of Social Work, University of Applied Sciences FHNW, Muttentz, Switzerland.

2. Research Assistant, Institute Social Planning and Urban Development, School of Social Work, University of Applied Sciences FHNW, Muttentz, Switzerland.

3. Research Assistant, Institute Social Planning and Urban Development, School of Social Work, University of Applied Sciences FHNW, Muttentz, Switzerland.

2015 and 2017) describe the basic problem of Europe as following: that economic internalisation, technological innovation, demographic ageing and changing family structures in the post-industrial age increasingly worsen life opportunities for large parts of the population (Hemerijck, 2018).

For a long time the shift from “repairing” the capitalist welfare state foremost by “compensating” its failures to “investing” in post-capitalist welfare states (Polese et al., 2015) has not been linked to scientific debates, nor is it even evidence based. Meanwhile the framework shifted and we can observe a broad scientific criticism of the social investment approach with regard to its implicit social norms (Ferrara 2009), its credo of “flexicurity and flexploitation” (Viebrock & Clasen, 2009), its moralisation of the poverty question, and its paradox that arises from the fact that poverty has not disappeared in Europe (Cantillon, 2011). Nevertheless its fundamental claim to frame the restructuring of the European welfare states with a paradigmatic turnaround has not been called into doubt by national politics (Garritzmman et al., 2017, Greener, 2018; Kovács et al., 2017).

Key policy areas that have been restructured in recent years particularly concern the labour market. With programs such as skill-oriented active labour market policy (ALMP) the focus is on pronounced individualized incentive-malus structures. At the same time, extensive infrastructures are being financed, especially in the areas of early child education and care, education and training over the life course, and social assistance. The narrative that is supposed to ensure acceptance revolves around the prevention of “new” risks. Risks arise from “precarious employment, labour market dualization, youth unemployment, difficulties of reconciling work and family life, and single-parenthood” (Busemeyer et al., 2018, 801f.) or from a labour market that is to the detriment of mothers if they remain abstinent for too long (Nygård, et al., 2019).

It can be considered as an achievement of academic research to question whether the concept of the human being in the social investment concept follows a “one-size fits all” solution or whether it would not be more appropriate to focus on life courses and thus taking the individuality of modern societies into account. The transformation of welfare arrangements can thus not be described simply as a shift towards an activating welfare state, but as “centred on specific life course transitions” (de Graaf & Maier, 2017: 40). With this reorientation towards the life course, the social investment concept has reached an argumentative turn, which Porte and Natali (2018) position around 2011 and call “the SI ‘moment’” (ibid., 837). Supported by academic expertise, it was possible to introduce a perspective on critical transitions during the life course into political conceptualisation: transitions from education into the first job, when aspire to have children and starting a family, drop out of the labour market, move to retirement (Hemerijck, 2018). On the one hand, the challenge became aware to make “transition pay” (Schmid, 2015: 71) and, on the other, to support the development of assets and skills that can cushion these critical transitions (Busemeyer et al., 2018: 802).

Having succeeded in this intervention on the part of science, another aspect appears on the horizon, which will be presented in more detail in this paper: Strangely the social investment concept is largely space-less. But leaving the parental home, entering the labour market, earning an independent income, deciding a partnership, having children, finding a home, forming independent opinions, taking responsibility for one’s self, etc., all of these changes a life course trajectories are depending of the place where a person lives and acts. But housing, the neighbourhood and the social environment has hardly any significance in the social investment approach, it is rarely mentioned and there are no political objectives. Consequently, housing

operates as a field of compensation in the classical sense of Keynes and Beveridge and is thus subject to continuous devaluation.

This paper addresses those shortcomings and goes beyond the supply aspect of housing. In the following chapter, housing is defined more broadly than just the availability of an address or residential space. Rather, housing is understood as being embedded in local structures (e.g. the neighbourhood and the community) where processes of informal learning take place. Understood in this way housing becomes a pillar for social integration which is on the other side a mediator of a successful labour market integration. In a next sub-section we ask about the significance of housing in the social investment approach. We will find some short mentions on housing in the beginning of the EU position papers. And we will observe a current scientific activity for reinventing housing under the umbrella of the capability concept. This debate is based on the rising number of refugees and people being affected by homelessness and exclusion from the housing market. The empirical part of the paper is based on an ongoing research project on the potential of neighbourhood-based social integration of young refugees. Its preliminary results will demonstrate how attempts are currently being made to reduce the “new risks” and prepare for the labour market through embedding people into the microstructure of the neighbourhood. The last section of the paper is based on these findings and will conclude with an argument for a stronger programming of housing in the social investment concept.

## Housing: From Commodity to Capability

According to the UN Committee on Economic, Social and Cultural Rights (ICESCR, 1991) housing goes beyond the mere possession of one’s ‘own four walls’ and ‘a roof over one’s head’. It is to be regarded as being able to live at a certain place in security and dignity. Adequate housing includes the availability of infrastructure such as water or energy, sufficient protection against heat, rain, wind and cold, and the accessibility of social facilities. Housing is not appropriate if it is located in a dangerous area or does not permit the expression of one’s own cultural identity. In a 2017 report, the Special Rapporteur on the Right to Adequate Housing called for an approach to nationally and locally adaptable, human rights-based housing strategies (Human Rights Council, 2017). Strategies that do not just providing housing but also addressing gaps and inequalities in existing systems and reviewing and modifying existing housing policies and programmes in order to challenge possible stigmatisation, marginalisation and discrimination and bringing housing back to his “social use” and the “diverse set of social relationships that give it meaning” (Human Rights Council, 2017: 10). Both approaches from UN Committee on Economic, Social and Cultural Rights and the Special Rapporteur on the Right to Adequate Housing does not just force governments to construct housing and does not just mean that people without housing may demand housing from the government. Rather, it requires governments to take all necessary and possible measures to ensure that the housing situation grants security, privacy, health and social embeddedness – a prerequisite for being able to choose and find work (UN Habitat, 2009: 9).

Alongside the political initiatives for more consideration of housing as the pillar of a person’s growth and development, various scientific disciplines are addressing the issue. “Housing is health” is the assessment of Bovell-Ammon et al. (2020) in their synopsis of the state of research

on public health with regard to life courses. They consider 4 domains as central: the quality of housing (heating, cooling, free of mold and other environmental hazards), the stability of housing (free from evictions, foreclosures, forced displacement), affordability (balanced increase in rent and wages, funding of programs) and the embedding in a neighbourhood (staple, safe outdoor spaces, access to transportation and jobs, community, social services). That health is considered worthy is due to the in-depth analyses commissioned in the course of developing the social investment approach (EC, 2013). Here it is elaborated that health is a “value in itself ... It is also a precondition for economic prosperity. People’s health influences economic outcomes in terms of productivity, labour supply, human capital and public spending.” (ibid., 1) A corresponding significance for the policy field of housing is missing in the expert reports, which is why housing always occurs only as a function and has no “value in itself”. An appropriate living environment, contacts with neighbours, has at best “positive impacts on population’s health.” (ibid., 20).

This niche position of housing has recently been questioned in the context of the growing number of people who are affected by insecure and inadequate housing situations as well as by homelessness. Whereas forementioned concepts are based on theorists like Marshall, Rawls, or Beveridge, the new discussion is linked to Amartya Sen’s capability approach (O’Shaughnessy et al., 2020). Following Sen and his assumptions (1999), the question of whether a person succeeds in leading a self-determined life (and thus having assets to respond to critical transitions in the life course) depends on the structure and equipping of a person with different abilities and competences; entitlements determine whether a person is able to exchange his competences into functioning (what a person does) and capabilities (what a person could achieve) and thus into a portfolio of options to realize a life course the person has reason to value (Drilling, 2010).

According to Sen and understood as a critique on the one sidedness of the social investment concept on the labour market, income is not a value in itself. Rather, income creates opportunities and these in turn create options to pursue a life. Poverty and risks thus can be understood as capability deprivation (Drilling, 2008). To establish social and territorial justice is therefore neither to be answered from his utilitarian perspective, nor from an exclusive view of supplying good, but above all from a capability perspective: capabilities that enables individuals to convert commodities into functionings (real achievements). Just as the loss of income leads houselessness to social isolation and exclusion from the kind of life citizens aspire to live. “Housing is generally discussed as a type of commodity or basic good to be supplied” summarizes Kimhur (2020: 266) in order to formulate the turn: “... rather than expanding a person’s capabilities or ‘valued being or doing’ (functioning) that a person can achieve by utilizing the resource housing” (ibid, 266). Approaches like housing first, accompanied housing, co-living or intergenerational housing, aging in place thus become a capability meaning whereas refugee camps, collective housing for migrants, night shelters for homeless people foremost deliver a supply. It is to distinguish “between doing something (achieved functioning) and ‘being free to do that thing (capability)’” (ibid, 267). In the consequence the “social investment perspective (must) shift the focus of welfare state provision from ex-post income compensation to ex-ante risk-prevention and capacitation.” (Hemerijck, 2020: 282).

From this wider perspective on people’s capabilities to react on social risks, housing must necessarily be interpreted in a broader context of living in a residential environment, in a neighbourhood, with neighbours and social contacts, learnings, informal support etc. (see Drilling & Schnur, 2019). Of

particular interest in this argumentation are studies that focus on the importance of neighbourhoods for one of the groups referred to as vulnerable in the social investment state: young refugees, who have “little time to prepare for their transition to adulthood” (Schmittgen et al., 2017: 219).

There is a consensus that the neighbourhood in which immigrants live plays a key role in processes of the life course (Ager and Strang, 2008; Danzer and Yaman, 2013). According to Galster (2012) the process of socialisation is influenced through contact with native peers in the neighbourhood. The residents of a neighbourhood have an impact on the behaviours and informal education processes of their neighbours by means of social interaction. Neighbours thus form an important part of social networks by providing information, knowledge and other resources, which could increase labour market and other economic opportunities (Gould & Turner, 1997). In a neighbourhood context, “the degree to which a refugee is exposed to natives has an impact on acquiring language and other country-specific skills” (Dahlberg & Valeyatheepillay, 2018: 2) and the ratio of educated individuals and high-income earners in the refugees’ neighbourhood contributes to their access to high-quality social networks through daily, local interactions (Spicer, 2008).

According to Dahlberg & Valeyatheepillay (2018) the policy of dispersal of refugees among communities implemented by the authorities plays a central role because the “initial individualized neighborhoods of placed refugees are characterized by more integration than what is the case for the non-placed individuals” (ibid., 31), and if refugees can choose their neighbourhoods, they “prefer neighborhoods with higher presence of immigrants over time” (ibid., 32). Furthermore, when refugees are segregated into specific neighbourhoods, they continue to be perceived by others “through a deficit lens within ... ‘victim’ narratives” (Symons & Ponzia, 2019). The local authorities are therefore called upon to continue to use their dispersal policy to the extent that social integration processes are immediately supported in these places - and at the same time to make sure that temporary accommodation such as camps are by no means prerequisites for integration processes (Kourachanis, 2018).

From this line of argumentation, the intentions of the social investment state need to be grounded in a context of social space. Individual success in coping with critical events and the transition from one status passage to another are directly linked to the question of where a person lives, in which environment he or she can exchange experiences, which resources he or she has at his or her disposal thanks to his or her neighbours, and whether he or she can choose between the options offered by his or her place of residence or whether his or her place of residence does not have these options at all. In other words: neighbourhood and housing have to be programmed as an essential part of the social investment approach (Campbell et al., 2016; Katz et al., 2016).

## Methodology

The research project “The potential of neighbourhood based social integration of young refugees from Eritrea and Ethiopia and the implications for multi-layer governance of social investment policy” questions the idealisation of the social investment concept that risks in the life course can be minimised or even prevented by investing in individuals and individual oriented infrastructure. Though social investment policy was designed to benefit disadvantaged social groups – including refugees. On the one hand, they individually do not have the equal access to funding instruments



and, on the other hand, they do not have the required qualifications for be entitled as an object of investments. This results in unequal living situations and can be observed in the case of refugees in Switzerland: After ten years of arrival, the employment rate of recognised refugees in Switzerland stood at 48% (and for provisionally admitted persons the rate is only 25%), and the social assistance rate for refugees was 86% (SEM, 2018). Refugees from Eritrea and Ethiopia dominate these statistics. Based on findings from neighbourhood research the project asks for the potential of local social structures for integration processes and the attempt of Swiss politics to restore the bridging function of social assistance by linking social investment, housing and neighbourhood integration. Methodologically the research follows a mixed methods design. In order to describe the living situation, the local social capital in the neighbourhood and the use of state and non-state assistance from the perspective of the refugees a quantitative questionnaire will be conducted; to realise the interwovenness of neighbourhood initiatives, volunteers, social services and refugees in concrete situations case studies in two municipalities will be carried by using ethnographic methods. To frame the question within the context of forced migration and to work out the relevance of housing and neighbourhood structures in the countries of origin interviews with experts working with refugees and a literature review have been conducted.

This paper is based on preliminary results of expert interviews and a literature review. A group of 10 experts from Eritrea and Ethiopia, who arrived in Switzerland as refugees and are now active as professionals in the field of integration, were asked about their own experiences of arriving in Swiss neighbourhoods. They were also given the task of explaining the importance of housing and neighbourhoods in their country of origin and the role housing and neighbourhoods have in economic and social integration there. Finally, the experts were asked whether the refugees with whom they work in Switzerland address housing and the neighbourhood and what expectations are associated with it. By the expert interviews the question can be answered, which influence housing in a social neighbourhood as a “space of arrival” have on the goal expected by the social investment state. Or in Sen’s terminology: in which sense the neighbourhood act to offer entitlement rights on a local and informal basis for enlarging capabilities and thus perform achievements like a first job.

In a second step a literature review was carried out, which was intended to find out whether the experts’ statements are reflected in scientific research. For this purpose, the databases “Web of Science” and “Scopus” were searched. The search strategy used the keywords “neighbourhood”, “refugee” and “integration” in a full text search; furthermore, the search was geographically narrowed down to Europe, the origin of the social investment concept, as well as to the years 2018-2021. A total of 78 results were generated. An abstract analysis filtered out those articles that focus in the abstract on the connection between refugees, neighbourhood and labour market. A total of 5 articles were thus subjected to a content analysis.

## **The Expert’s View of the Relevance of Housing and Neighbourhood**

Housing in the context of its relevance to social investment goals is described by the experts as living in a neighbourhood and with neighbours. A neighbour is someone who lives directly, next or near to one. The other dimension of housing covers the social relationship or interactions with

the residents living in one neighbourhood. This is seen from different indicators like knowing each other, contact, communication, relationship, feeling near or close, feeling of belongingness, reciprocity, responsibility, friendship and emotional or material support.

Many of the expert's conception of the neighbourhood depends on the context it is being talked about. One expert explains the different pictures which come to her mind when she talks about neighbourhoods in Eritrea and Switzerland. While in the context of Eritrea, she thinks of the neighbourhood first as people who live there, in Switzerland, she associates this first with the physical objectives, like the bus station, the streets, or the children's playground. The relationship with a neighbour is generally expressed by the experts as closeness knowing each other, feeling at ease to enter each other's home and depending on each other, usually expressed through exchange of basic household essentials such as *"salt or sugar"*. The relationship is also mutual, where one can exchange information and understand each other and support which could be material but also emotional. Moreover, neighbourhood is also seen like a platform which gives people the opportunity to build friendship and create acquaintance.

The closeness or intimacy that there is among neighbours makes a neighbourhood resemble one's own family. One example which reflects this statement is an example where the neighbours live by helping each other and being at the side of each other during bad and good times. According to another expert *"the only difference between one's own family and the neighbourhood is the degree of this responsibility"*. The responsibility could be babysitting a neighbours' child as well looking out for a general in the area. It could even go the extent of setting up savings and lending groups based on trust. Responsibility in the Eritrean and Ethiopian neighbourhood may have many forms. Although parents carry the primary responsibility of raising their children, neighbours have also shared responsibilities in socializing, disciplining, and teaching children in the neighbourhood. Furthermore, elderly people in the neighbourhood assume this responsibility voluntarily and they are accepted by the families in the neighbourhood to act so. To admit this view, the community expresses through a proverb that *"Tell me where you live, I will tell you who you are"* as a recognition of the effects of neighbourhood and local community on child and youth status.

While the majority of our experts mention having no contact with their neighbours in Switzerland, one expert started to take her own initiatives. *"I say hello and we drink coffee together, we talk about swiss, what is going on and the situation at the moment."* Another experts narrates about a support from a neighbour. *"She offered me an internship. We started talking while waiting for the bus. She lived in different countries, that's why she was open."* Other experts report about similar contacts with swiss people helped them to improve the language skills or got the opportunity to visit different places.

What kind of neighbourliness is assumed to be good for integration in the sense of the social investment approach? One of the experts answered that a *"good neighbourhood"* should be deemed as follows: *"...I can think of one case ... with a family in ... They have a neighbour who always supports them and according to them is almost like a part of the family. He comes into their home. And vice versa. He supports them, whether it is with letters or other things they don't understand"*.

Beside the bridging social capital that arises from face-to-face meeting in the context of housing, the contribution of formal neighbourhood organizations were mentioned in the interviews.

Although many experts believe that the Municipality is engaged at promoting various activities at the neighbourhood level they express that this is not enough to include the refugees or give them a better opportunity to use the resources they have. Most of the young refugees limited their contact with the municipality just to renew their ID or for any other administration purposes. One expert stresses the procedure of welcoming the newcomers and specifically the refugees. He complains the Municipality as not working to promote the relationship among the residents at the neighborhood, rather as primarily interested about the formal administrative works. He calls this system of the Municipality as, *“In Rome be like Romans”*.

At the end most of the refugees the experts are working with report that they feel lonely. Because they live in the middle of the neighbourhood but they do not have systematically access as members. Despite these difficulties and feelings, the refugees know how important it is to encounter the natives to learn about daily life and the neighbourhood life. For that they would like to invite their Swiss neighbours too, but not sure whether they would come.

According to the experts, young refugees believe that the expectations of the host country and the residents in the neighbourhood has a negative impact on the freedom to act in a way they used to act as a free person: *“Usually the fear dominates. Many people are afraid to make mistakes here because often we hear the critics about us. So rather than being ourselves or how we want to be, we lose our energy on thinking about how they perceive us. We spent a lot of time on thinking how they will react.”* That is why the refugees think too much to avert public misjudgements and pre-existing stereotypes. *“Instead of acting, expressing, and thinking about things by themselves freely, their mind is occupied by the host country’s culture and expectations to fulfil.”*

Aside from private engagement and state investment on skills like language courses, civil organizations on the neighbourhood scale help young refugees by providing free language classes to improve communication skills and create opportunities for networking for those who are ready to contact the local community. Moreover, local structures help the refugees to learn and understand the culture and thus play a significant role in the integration process through bringing people together. *“Once they know the system, young people will develop and change over time. The young people are shaped by the system. When young people enter the system, they will be changed economically, in their way of thinking and in their educational abilities - that is why it plays such an important role. It is the system that either integrates people quickly or lets them fall.”*

On the other side, the local refugee community organizations can facilitate integration to the local community. Hereby social bonding seems to be important. Refugees could help one another and share experiences about the integration process and pathways. In this case, integration should be considered as mutual and the traditional perspective of integration can be changed – because refugees have something to give and some part of their values and norms should be recognized by the local residents. Living together can be achieved by recognizing and accepting each other’s values and norms but not by assimilation. People may learn from each other by living and spending time together. Indeed, the local structure nurtures the social capital of the local community.

## Contrasting Expert View with a Literature Review

The journal articles identified a strong link between social and economic integration and neighbourhood embeddedness (see Table 1). Andersson et al. (2018) and Klaesson et al. (2018) use panel and population data, respectively, to analyse the influence of the neighbourhoods to which refugees are assigned on their economic integration. They found significant correlations, for example that the success of a first job depends on the employment rate in the neighbourhood in general, but also among the immigrant group, and on the relationship between refugees and locals. Klaesson et al. (2018) attribute explanatory significance to these effects of “enclave quality” and “enclave size” for economic integration and provide important information on the informal networks and the spatial contexts in which refugees come into contact with the expectations of the social investment state. Andersson et al. (2018) summarizes that the port-of-entry neighbourhood “make substantial difference in refugees’ employment prospects, though with crucial differences by gender and co-ethnic context.” (ibid., 30) They also indirectly question the distribution mechanisms of the welfare states, which do not take such characteristics into account and advocate “a more nuanced policy involving metro/neighbourhood ... that discourages refugee settlement in certain types of places and directs/incentivizes it toward others.” (ibid., 30).

The arrival neighbourhood (“port-of-entry neighbourhood”) and its provision with “arrival infrastructure” (co-ethnic networks, services, etc.) is the subject of Liempt & Miellet (2020) in their broader qualitative study on processes of homemaking in municipalities in the Netherlands. Where such infrastructures are considered insufficient by the refugees, they relocate to better-equipped places in other municipalities. Through this study, it becomes apparent that there are also efforts on the part of the refugees to meet the expectations of economic and social integration. They also point to the importance of peers (whether from the country of origin or the host communities): “Small talks or ‘doing alongside’ ... in and around the house and in the neighbourhood is perceived important support for resettled refugees and provides them with a sense of belonging and feeling of acceptance, especially in the early phase of settlement.” (Liempt & Miellet, 2020: 15). In their study on the political integration of refugees, Bratsberg et al. (2018) even venture a temporal prognosis: “Our findings indicate that the first 3 years after arrival may constitute a critical ‘integration window,’ in which context plays a key role in habituating modes of interaction with the host society” (Bratsberg et al., 2018: 12). They therefore suggest that “governments should take factors beyond capacity and dispersion into account when allocating refugees across a national territory.” (ibid., 12).

Finally, Mahieu & van Caudenberg (2020) evaluate a cohabitation project in which locals and young refugees live together. Here, neighbourly structures are found in a very confined space. In their qualitative evaluation of the programme in Belgium, they conclude that co-housing is both a supportive environment and a space for mutual informal learning. The daily encounters, the informal conversations and the ephemeral co-existence strengthen educational as well as communicative and emotional aspects and thus support processes of economic integration through social interactions. It is this low threshold that the authors discover in the forms of neighbourhood and communal living.

**Table 1. Housing and the Social Investment Concept: Searching for Relevance by Literature Review**

Author	Andersson, R. et al. 2018	Klaesson, J. et al. 2018	Bratsberg, B. et al. 2020	Liempt, I. van & Miellet, S. 2020	Mahieu, R. & Van Caudenberg, R. 2020
Year of publication					
Focus	<i>impact of the first settled neighbourhood on the employment prospective</i>	<i>impact of the residence in an ethnic enclave for immigrants' labour market integration</i>	<i>impact of the initial neighbourhood on political participation</i>	<i>how processes of homemaking evolve in the locations to which refugees have been dispersed</i>	<i>evaluation of an intercultural communal living programme for young refugees</i>
Period covered by data	Refugees employed 5 or 10 years after settling	immigrants 1993/94 and 2005/06	refugees placed between 1990 – 2012	between 7 and 14 months after settling	refugees living in cohabitation with locals between 2017 - 19
database	panel data on working-age adults	population registry microdata	participation of refugees in the 2015 local elections	semi-structured interviews with families/singles (N=21)	semi-structured interviews with refugees and locals (N=40)
Focus on	Iran, Iraq, Somalia immigrating 1995 -2004	immigrants from the Balkans (1993-94) and from Middle East (2005-06)	27 municipalities	refugees from Syria resettled to the Netherlands	young adult unaccompanied refugees
Research type	quantitative	quantitative	quantitative	quantitative	qualitative
Region	Sweden	Sweden	Norway	Netherlands	Belgium
Relevant results	socioeconomically weaker refugees tend to sort into own-ethnic enclaves after several years of residence in the host nation males have a significantly higher probability of being employed after 5 years and work more during their first 10 years than females those arriving at the port-of-entry with social welfare or parental leave benefits experience inferior employment outcomes refugees with a higher share of co-ethnic neighbours decrease their probability of being employed after 5 years negative effects of co-ethnic concentrations are almost entirely the result of female refugees	probability to get a first job influenced by (1) overall employment rate, (2) share of the respective immigrant group over all residents, and (3) employment rate of the immigrants' own immigrant group employment rate of immigrant group in the vicinity facilitates labour market integration of new immigrants people with relatively low education continue without a job the longest	neighbourhood exert path-dependent effects on immigrant political integration initial placement within a politically engaged neighbourhood is associated with an increase in refugees' downstream sectorial turnout turnout among neighbours and peers is influential early exposure to politically engaged peer networks plays a key role in shaping political integration the first 3 years after arrival constitute a critical 'integration window'	respondents associated larger cities with greater opportunities to find work or complete (higher) education and with the presence of co-ethnics, relatives and friends after 2 years, one in 5 refugees has moved to another region than that to which they were dispersed making new contacts is important, but also reconnecting with one's own friends and family is crucial for homemaking	cohousing is a supportive environment: (1) small gestures such as sharing, lending or donating household items, (2) accompanying to formal institutions, (3) emotional well-being cohousing is a space for mutual informal learning; (1) language learning, (2) communication skills, (3) learning about Belgium and the newcomer's society and culture
Check for Social Investment and Housing	gender effects; co-ethnic effects; relevance of port-of-entry neighbourhood	enclave quality; enclave size; local-peer-effects	peer-effects; neighbour-effects	support level and arrival infrastructure in dispersal municipalities	low-threshold effects

## Conclusions

The aim of this article was to focus more on the spatial aspects of the social investment approach in order to highlight their importance. While housing and neighbourhood environment were still important policy fields in the early papers of the EU, they became less and less relevant as fields of active investment policy compared to the labour market, early child care or education. In recent years, housing has been treated more as a commodity and applied in a compensatory sense: a roof over one's head was sufficient to meet the demand for housing. The fact that this fundamentally contradicts various international initiatives, such as those of the UN Committee on Economic, Social and Cultural Rights or the Human Rights Council, was appropriately deduced. Adequate housing and embedding in a neighbourhood thus acts as a catalyst for many goals of the social investment state, is to be valued as a capability and builds agency; especially through low-threshold encounters with locals, the associated informal learning situations and assistance, which can lead to options on the labour market. The example of refugees chosen here confirms this in practice (interviews) and theory (literature review). This has consequences for the current implementation of the social investment approach:

(1) The social investment approach lacks its spatial grounding. Social or economic integration, critical life events, discontinuous transit, etc.: all this does not happen in a place-less way, but occurs in a temporal and spatial setting. Housing and neighbourhoods have important influences on life trajectories and integration patterns. Housing requires investment and should not be reduced to its functional aspects by the social investment approach.

(2) The social investment approach's focus on housing as a capability or option structure also implies an opening of the approach to soft factors such as social capital, trust in the neighbourhood, collective action, etc. This implies the need to search for appropriate indicators. This requires the search for appropriate indicators, which can be located on the level of previous "hard factors" such as school leavers, NEET, or employees. Creating an appropriate database that can be combined at the various scales (neighbourhood, municipality, state) is likely to be one of the key challenges in the further development of the approach.

(3) Up to now, the social investment state has mainly referred to government interventions. However, with the opening to a broader understanding of housing, non-state actors would also gain significance. The interplay between state-NGO-neighbours/civil society would require the social investment approach to widen into a multi-layer governance approach, understood as an interwoven activity of decisions ranging from central government up- and downwards to the supranational and civil societal level. According to Careja (2019), this view is interesting in two directions: on the one hand, it connects the actors in the direction of cooperation between institutions and the population (cross-level) and, on the other hand, it connects the different scale levels to the neighbourhood level (national-local).



## Acknowledgement

The original research, on which this article is based, was funded by the Swiss National Science Foundation, project IZCOZ0\_189866 and is part of the COST Action CA17114 “YOUNG-IN - Transdisciplinary solutions to cross sectoral disadvantage in youth” ([www.young-in.eu](http://www.young-in.eu)), supported by COST (European Cooperation in Science and Technology). COST is a funding agency for research and innovation networks ([www.cost.eu](http://www.cost.eu)).

## References

- Ager, A. & Strang, A. (2008), “Understanding integration: A conceptual framework”. *Journal of Refugee Studies*, 21: pp. 166-191.
- Andersson, R., Musterd, S. & Galster, G. (2018), “Port-of-Entry Neighborhood and its Effects on the Economic Success of Refugees in Sweden”. *International Migration Review* 53(3): pp. 671-705.
- Bonoli, G. (2009), “Varieties of social Investment in Labour Market Policy”. In: Morel, N., Palier, B. & Palme, J. (Eds) *What Future for Social Investment?*, Stockholm: Institute for Futures Studies, pp. 55-66.
- Bovell-Ammon A, Yentel D, Koprowski M, Wilkinson C, Sandel M. (2021), “Housing Is Health: A Renewed Call for Federal Housing Investments in Affordable Housing for Families With Children”. *Acad Pediatr*. Jan-Feb 21(1): pp. 19-23.
- Bratsberg, B., Ferwerda, J., Finseraas, H. & Kotsadam, A. (2020), “How Settlement Locations and Local Networks Influence Immigrant Political Integration”, *American Journal of Political Sciences*, <https://doi.org/10.1111/ajps.12532>.
- Bussemeyer, M. R., De la Porte, C., Garritzmann, J.R. & Pavolini, E. (2018), ‘The Future of the Social Investment State: Politics, Policies, and Outcomes’. *Journal of European Public Policy* (25) 6: pp. 801-809.
- Campbell, G., Glover, T.D. & Laryea, E. (2016), “Recreation, Settlement, and the Welcoming Community: Mapping Community with African-Canadian Newcomers”. *Leisure Sciences*, 38(3): pp. 215-231.
- Cantillon, B. (2011), “The Paradox of the Social Investment State: Growth, Employment and Poverty in the Lisbon era”. *Journal of European Social Policy*, 21 (5): pp. 432-449.
- Careja, R. (2019), “Making Good Citizens: Local Authorities’ Integration Measures Navigate National Policies and Local Realities”. *Journal of Ethnic and Migration Studies*, 45 (8): pp. 1327-1344.
- Danzer, A. M. & Yaman, F. (2013), “Do Ethnic Enclaves Impede Immigrants’ Integration? Evidence from a Quasi-experimental Social-interaction Approach”. *Review of International Economics*, 21: pp. 311-325.
- Dahlberg, M. & Valeyatheepillay, M. (2018), “On the Anatomy of a Refugee Dispersal Policy: Neighborhood Integration and Dynamic Sorting”. *Ifo Working Papers* 285. München: Leipzig Institute for Economic Research.

- Deeming, C. & Smyth, P. (2015), "Social Investment after Neoliberalism: Policy Paradigms and Political Platforms". *Journal of Social Policy* 44 (2): pp. 297-318.
- De Graaf, W. & Maier, R. (2017), "The Welfare State and the Life Course: Examining the Interrelationships between Welfare Arrangements and Inequality Dynamics'. *Social Policy and Administration* 51 (1): pp. 40-55.
- Drilling, M. (2008), "Enlarging people's choice – Reducing ill-being by capability building". In: Kosaka, K. (Ed.) *A Quest for Alternative Sociology*. Melbourne: Pacific Press, pp. 88-101.
- Drilling, M. (2010), "Capability Deprivation and Capability Enlargement. Rethinking the Role of Social Welfare". In: Otto, H.U. & Ziegler, H. (Eds.) *Education, Welfare and the Capabilities Approach. A European Perspective*. Budrich: Opladen. pp. 51-70.
- Drilling, M. and Schnur, O. (2019), "Neighborhood Development". In: Orum, A. M. (Ed.): *The Wiley-Blackwell Encyclopaedia of Urban and Regional Studies*. New York: John Wiley & Sons Ltd. pp. 1-5.
- EC = European Commission (2018), Policy Roadmap for the implementation of the Social Investment Package. Employment, Social Affairs and Inclusion. URL: <https://ec.europa.eu/social/BlobServlet?docId=14345&langId=en>
- EC = European Commission (2013), European Commission Staff Working Document – Investing in Health SWD (2013) 43
- Ferrara, M. (2009), "From the Welfare State to Social Investment State". *Rivista Internazionale di Scienze Sociali*, 3-4: pp. 513-528.
- Galster, G. (2012), "The mechanism(s) of neighbourhood effects: Theory, evidence, and policy implications." In: van Ham, M.; D. Manley; N. Bailey et al. (Eds.) *Neighbourhood Effects Research – New perspectives*. Springer. pp. 23-56.
- Garritzmann, J.L., Häusermann, S., Palier, B. & Zollinger, C. (2017), WOPSI: The World Politics of Social Investment. An International Research Project to Explain Variance in Social Investment Agendas and Social Investment Reforms Across Countries and World Regions. LIEPP Working Paper, no. 64. Paris: SciencesPo.
- Gould, E. I. & Turner, M.A. (1997), "Does Neighborhood Matter? Assessing Recent Evidence". *Housing Policy Debate*, 8 (4): pp. 833-866.
- Greener, I. (2018), *Social Policy after the Financial Crisis*. Cheltenham: Edward Elgar Publications.
- Hemerijck, A. (2018), "Social Investment as a Policy Paradigm", *Journal of European Public Policy*, 25 (6): pp. 810-827.
- Hemerijck, A. (2020), "Correlates of Capacitating Solidarity", *Housing, Theory and Society*, 37 (3): pp. 278-288.
- Kimhur, B. (2020), "How to Apply the Capability Approach to Housing Policy? Concepts, Theories and Challenges", *Housing, Theory and Society*, 37 (3): pp. 257-277.
- Klaesson, J., Öner, Ö., Pennerstorfer, D. (2018), "Getting the First Job: Size and Quality of Ethnic Enclaves and Refugees Labor Market Entry". *Journal of Regional Science* 61 (1): pp. 112-139.
- Kourachanis, N. (2018), "From Camps to Social Integration? Social Housing Interventions for Asylum Seekers in Greece", *International Journal of Sociology and Social Policy*, 39 (3/4): pp. 221-234.
- UN Habitat. (2009), The Right to Adequate Housing. Retrieved from [https://www.ohchr.org/Documents/Publications/FS21\\_rev\\_1\\_Housing\\_en.pdf](https://www.ohchr.org/Documents/Publications/FS21_rev_1_Housing_en.pdf)



- UN Human Rights Council. (2017), Report of the Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context. Retrieved from <https://documents-dds-ny.un.org/doc/UNDOC/GEN/G15/294/52/PDF/G1529452.pdf?OpenElement>
- ICESCR = International Covenant on Economic, Social and Cultural Rights (1991). Online: <https://www.ohchr.org/en/professionalinterest/pages/cescr.aspx>
- Jenson, J. (2008), "Writing Women Out, Folding Gender. The European Union 'Modernises' Social Policy". *Social Politics* 15 (2): pp. 131-153.
- Jenson, J. (2017), "Developing and Spreading a Social Investment Perspective: The World Bank and OECD Compared" In: Hemerijck, A. (Ed.) *The Uses of Social Investment*. Oxford: Oxford University Press. pp. 207-215.
- Jessop, B. (1999), "The Changing Governance of Welfare: Recent Trends in its Primary Functions, Scales and Modes of Coordination". *Social Policy and Administration*, 33 (4): pp. 348-359.
- Kennett, P. and Lendvai-Bainton, N. (2017), "Introduction: Trajectories and Frictions of European Social Policy". In: Kennett, P. and Lendvai-Bainton (Eds.) *Handbook of European Social Policy*. Cheltenham: Edward Elgar Publishing, pp. 1-14.
- Katz, B., Noring, L. & Garrelts, N. (2016), *Cities and Refugees – the German Experiment*. Washington: Centennial Scholar Initiative.
- Kovács, B., Polese, A. & Morris, J. (2017), "Adjusting Social Welfare and Social Policy in Central and Eastern Europe: Growth, Crisis and Recession". In: Kennett, P. & Lendvai, N. (Eds.), *Handbook of European Social Policy*, Cheltenham: Edward Elgar Publishing. pp. 194-217.
- van Liempt, I. & Miellet, S. (2020), "Being Far Away from what you Need: The Impact of Dispersal on Resettled Refugees' Homemaking and Place Attachment in Small to Medium-sized Towns in the Netherlands", *Journal of Ethnic and Migration Studies*. <https://doi.org/10.1080/1369183X.2020.1845130>.
- Mahieu, R., van Caudenberg, R. (2020), "Young Refugees and Locals Living under the Same Roof: Intercultural Communal Living as a Catalyst for Refugees' Integration in European Urban Communities?", *Comparative Migration Studies* 8 (12): pp. 1-17.
- Nygård, M., Nyby, J. & Kuisma, M. (2019), "Discarding Social Investment and Redistribution in the Name of Austerity? The Case of Finnish Family Policy Reforms 2007-2015", *Policy and Society*, 38 (3): pp. 519-536.
- OECD (2011), *Doing Better for Families*. Paris: OECD.
- OECD (2015), *In It Together: Why Less Inequality Benefits All*. Paris: OECD
- OECD (2017), *Employment Outlook 2017*. Paris: OECD.
- O' Shaughnessy, B.R., Manning, R.M., Greenwood, R.M., Vargas-Moniz, M.J., Loubière, S., Spinnewijn, F., Gaboardi, M., Wolf, J.R., Boksztzanin, A., Bernad, R., Blid, M., Ornelas, J. & The HOME-EU Consortium Study Group (2020), Home as a Base for a Well-Lived Life: "Comparing the Capabilities of Homeless Service Users in Housing First and the Staircase of Transition in Europe:." *Housing, Theory and Society*. DOI: <https://doi.org/10.1080/14036096.2020.1762725>
- Polese, A., Morris, J. & Kovacs, B. (2015), "Introduction: The Failure and Future of the Welfare State in Post-Socialism". *Journal of Eurasian Studies*, 6 (1): pp. 1-5.

- Porte, C. & Natali, D. (2018), “Agents of Institutional Change in EU Policy: The Social Investment Moment’, *Journal of European Public Policy*, 25 (6): pp. 828-843.
- Schmid, G. (2015), ‘Sharing Risks of Labour Market Transitions: Towards a System of Employment Insurance’. *British Journal of Industrial Relations*, 53 (1): pp. 70-93.
- Schmittgen, J., Köngeter, S. & Zeller, M. (2017), ‘Transnational Networks and Border-Crossing Activities of Young Refugees”. *Transnational Social Review* (7) 2: pp. 219-225.
- Sen, A. (1999), *Inequality Reexamined*. Cambridge: Harvard University Press.
- Spicer, N. (2008), “Places of Exclusion and Inclusion: Asylum-seeker and Refugee Experiences of Neighbourhoods in the UK”. *Journal of Ethnic and Migration Studies* (34) 3: pp. 491-510.
- Symons, C. & Ponzia, C. (2019), Schools Cannot Do It Alone: A Community-Based Approach to Refugee Youth’s Language Development. *Journal of Research in Childhood Education*, 33 (1): pp. 98-118.
- Viebrock, E. & Clasen, J. (2009), Flexicurity and Welfare Reform: a Review. *Socio-Economic Review* 7 (2): pp. 305-331.



ΕΠΙΣΤΗΜΟΝΙΚΗ ΕΤΑΙΡΕΙΑ ΚΟΙΝΩΝΙΚΗΣ ΠΟΛΙΤΙΚΗΣ  
HELLENIC SOCIAL POLICY ASSOCIATION