

# Foreign housing voucher systems: evolution and strategies

*European governments have historically used housing allowance concepts with various strategies depending on the given definition of “most needy;” models include those with priority given to large families, the elderly, and the handicapped, and a model based on labor mobility*

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The “housing voucher” or “housing allowance” concept is emerging as the principal tool in U.S. housing subsidy policy. In Europe, governments have effectively operated national housing allowance systems for several decades with a wide variety of strategies. This report examines foreign experience.<sup>1</sup>

Two fundamental judgments underlie all housing allowance<sup>2</sup> systems: (1) there are large numbers of families that cannot obtain minimum standard housing by paying a reasonable portion of their income, and (2) the most needy households should be given first priority in the payment of housing subsidies. However, there have been notable differences among housing allowance systems in their approach to the most needy households. There have been different definitions of “most needy,” and the principle of priority for the most needy has often been blended with other important economic and social purposes.

The strategic role of the housing allowance concept as it has developed in other countries can be best understood by delineating eight models of the concept: large family hardship model; elderly hardship model; rent harmonization model; excessive shelter-to-income model; tandem-new construction model; social stability model; labor mobility model; and family crisis model. (See exhibit 1.)

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## **Large family hardship model**

The pre-World War II European perception was that wages of the working classes were more or less fixed over time. Other things being equal, therefore, an additional child in the family—and families tended to be big—led to a worsening of life in two major ways: a smaller portion of family income was available for the consumption of each individual; and each person had less physical space within the household.

In other industrialized nations, social concern for the welfare of children in large working class families found political expression in two ways rather different from the American experience, that is, in the establishment of family allowance systems (sometimes called children’s allowances) and in social housing programs. Family allowance systems, spearheaded by the International Labour Office created under the League of Nations in 1919, were adopted in most of the highly industrialized countries providing financial assistance for each additional child in the family to avoid a lowering of standards of living.<sup>3</sup> And social housing (more or less the European equivalent of U.S. public housing) programs were promoted to help eliminate slums.

Because slums could only be avoided or eliminated by constructing more housing, it was logical that financial assistance should be in the form of producer subsidies to the builder, that is, mainly public and nonprofit agencies acting on behalf of the poor. The new social housing was then normally allotted on the basis of a point system to the most

Exhibit 1. Multiple uses of housing allowance strategies by foreign governments			
Model	Countries and approximate date of adoption	Model	Countries and approximate date of adoption
1. Large family hardship	Sweden, 1930's France, 1948 Finland, 1962 Switzerland, Basle Canton, 1963 City of Zurich, 1963 Denmark, 1964	4. Excessive shelter-to-income ratio	Austria Federal Republic of Germany Finland Netherlands
2. Elderly hardship	France, 1948 Sweden, 1950's Denmark, 1959 Switzerland, Basle Canton, 1963 Belgium, 1950's Australia, 1969 Finland, 1970 Canadian provincial systems, 1970's	5. Tandem-new construction	Norway, 1967 Sweden, 1960's France Netherlands
3. Rent harmonization	France, 1948 Federal Republic of Germany, 1955 Denmark, 1967 Netherlands, 1967 Ireland, 1967 Austria, 1970's Norway, 1973	6. Social stability	Applied generally
		7. Labor mobility	Sweden, 1957 France, 1960's Federal Republic of Germany, 1960's Austria, 1960's Denmark, 1966 Netherlands, 1970's Norway, 1972
		8. Family crisis	Australia, Victoria, 1981

needy, which tended to be the largest families.

As children grow up and leave, large families become small families. But under the housing regulations of most countries, families were not required to vacate subsidized housing as their level of need changed, for example, as the size of family shrank or as the level of income rose; rather they continued to occupy old units, even passing them on to the next generation. In this milieu, after World War II, the International Union of Family Organizations became one of the leading protagonists for a housing allowance system based primarily on the large family rationale. It had an important influence in many countries, especially Belgium, France, Luxembourg, the Netherlands, and Scandinavia.<sup>4</sup>

In the view of the International Union of Family Organizations, the key to providing adequate succor to the most needy was the development of "individual compensation for housing expenses . . . as closely adapted as possible to the circumstances of the household with children."<sup>5</sup> Such a system would ensure a much more effective use of the existing housing stock on the basis of need. As large families shrank and thereby received a smaller housing allowance, they would have an incentive to move to smaller space and to liberate large dwelling units for growing families.<sup>6</sup>

An important corollary was that housing allowances should operate in a national rental housing market organized on the basis of economic rents rather than in a rent controlled market with many different rent levels for equivalent accommodation based on differences in past construction

costs and producer subsidy systems. This was essential for two reasons. First, it avoided the misuse and waste of housing subsidies on space for families that had low priority needs or had ceased to be in a needy position, and it encouraged households to move within the market as their housing needs increased or decreased. Second, it stimulated an increase in the supply of rental housing. With the assurance of economic rents, private rental housing investors would not have to compete with low, subsidized rents, and thus would be encouraged to construct new housing.<sup>7</sup>

The original large family hardship model contained two other concepts, which, although more or less lost in the passage of time, are worth noting. One concerned the formula for calculating the housing allowance. Because the family allowance had become a well-established fixture in national social policy in many countries, it was maintained that the ratio of the family allowance to nonhousing items in the worker's budget provided a ready-made measure of need, which could be applied equally well to housing costs in the family budget. Thus, if the family allowance equaled 20 percent of the nonhousing items in the family budget, the housing allowance should equal 20 percent of the housing cost item in the budget.<sup>8</sup> In countries without such legislation, the International Union of Family Organizations proposed that housing allowances should cover the amount of the rent in excess of a reasonable percentage of the family income, that is, between 6 and 12 percent of income depending on the size of the family and its income.<sup>9</sup>

The other interesting concept was that housing space should be measured in terms of its capacity to accommodate people rather than in square meters of floor space or number of rooms. Accordingly, at its 1954 session, the International Union of Family Organizations adopted the concept of a "housing capacity index" based on two criteria, the number of bedrooms and the total number of occupants of these bedrooms. Thus, a dwelling unit with an index of A 4/6 was an apartment of four bedrooms for six persons.<sup>10</sup> This index was believed to be in the best possible measure of the housing stock's capacity to meet social need.

Concern for the housing needs of large poor families was prominent in the early evolution of housing allowances. Sweden introduced a housing subsidy for families with many children in the 1930's and has continued to expand the coverage until approximately one-half of all families with children now receive a housing allowance. Finland adopted its first housing allowance system for large families in 1941, the system expanding by 1961 to include about 2,000 families.<sup>11</sup> France adopted a housing allowance in 1948 that was payable only to large families which received a family allowance. The Canton of Basle and the city of Zurich in Switzerland launched large family housing allowances in 1963, while Denmark introduced its system for large families and single persons with children in 1964.<sup>12</sup>

### **Elderly hardship model**

A second major category of "most needy" households competing for housing subsidies has been the elderly and the physically handicapped. The old age pension has long been a part of European social security systems; in fact, Chancellor Otto Von Bismark made it a part of the German social insurance system in the 1870's. But while fairly comprehensive in coverage, after World War II European systems were generally deficient in two respects. Pensions were relatively small, and there was little provision for automatically increasing (that is, indexing) pensions to compensate for increases in the cost of living. The systems had been established in an era of price stability, when there was no problem of creeping inflation. As a consequence, a large proportion of the elderly increasingly found themselves in a financial squeeze. Although continued rent controls imposed a brake on the rate of increase in shelter costs, periodic relaxation of rent ceilings clearly intensified rent burdens.

The housing allowance concept offered a cogent solution to this problem. It was a simple subsidy for a well-defined, very needy group. Moreover, because the elderly poor were a rather easily identifiable part of the total poverty problem, governments could provide them with financial relief without opening the floodgate for massive consumer housing subsidies for all the poor.

In the early development of housing allowance systems, the elderly poor often played a central role. In 1948, France established a rent subsidy system for the aged and the dis-

abled living in old apartments. This subsidy was necessary for persons living on fixed incomes, such as pensioners, to offset rent increases which the government began to introduce gradually in the rent ceilings on the old housing stock. After several amendments, this program was completely overhauled in 1971. Since then, it has remained a separate system for the elderly, the physically handicapped, and certain young workers.

In Sweden, where there are three separate housing allowance systems, municipalities provide a special housing allowance supplementing the national retirement pension when the pension is insufficient to provide an adequate dwelling. In 1958, the principles governing the subsidy and its financing became the responsibility of municipalities. As a result, differences in levels of payment prevailed. However, means test rules for determining eligibility now have been established by the National Government. Beginning in 1982, the Government agreed to cover 25 percent of the costs and to coordinate housing allowances for the elderly more closely with the other two more general systems. Among other things, this has involved the imposition of rent ceilings. In 1980, slightly more than one-half of all retired persons received housing allowances under this system.

In 1959, Denmark adopted a rent subsidy plan specifically for those elderly and disabled persons receiving national pensions that were too small to enable them to obtain adequate unsubsidized accommodation. Eligible persons were required to rent subsidized housing owned by the municipality or a nonprofit or charitable housing association. The housing allowance was paid to the owner, not the renter. Two-thirds of total costs were financed by the municipality and one-third by the National Government. The Canton of Basle (Switzerland) launched a similar program for the elderly in 1963. The Belgian housing allowance system is mainly for the elderly. In Australia, the Supplementary Assistance Plan for rental housing for the aged, sole parents, and invalid pensioners was introduced in 1969. Weekly assistance in 1982 was equal to one-half the amount by which rent exceeded \$10, with maximum assistance of \$10 a week. In December 1982, 86 percent of total pensioners received assistance from this plan.<sup>13</sup>

Finland introduced a housing allowance system for the elderly in 1970 to cover housing costs that were above average. The allowance is paid as a part of the national pension system. The number of recipients rose from 50,000 in 1970 to 179,000 in 1983, accounting for about 50 percent of all housing allowance participants in the latter year.

The elderly hardship model was adopted by five Canadian provinces—British Columbia, Manitoba, New Brunswick, Nova Scotia, and Quebec—in the 1970's and 1980's. The aim was to assist the elderly in keeping their existing housing rather than to rehouse them in new projects. The policy reflected the belief that housing occupied by the elderly generally met acceptable standards and that the problem was one of excessive rent burden.

Elderly recipients appear to predominate in most national housing allowance plans. In France, the Federal Republic of Germany, Sweden, and the United Kingdom, they historically have constituted from two-thirds to three-quarters of all participants. In other words, it may be said that housing allowance systems have tended to become a major auxiliary support to old-age pension systems.

European experience demonstrates that initially restricting eligibility to senior citizens (and perhaps handicapped persons) offers an effective political strategy for introducing a housing allowance system. It clearly targets the system to a widely recognized high priority category. From a social point of view, the elderly are probably the most highly disciplined sector of the population; thus the risks of abuses and problems of administration are minimized. Because elderly demographics are generally well known, it is possible to set the lower eligibility age limit at a level that corresponds to financial resources that the government is ready to make available for such a program. In other words, this approach offers a method for a fine tuning of demand to the current limits of fiscal capacity. Then, if experience demonstrates the practicability of the system, if fiscal capacity grows, and it is believed appropriate, the age limit can be progressively lowered to embrace a steadily larger part of the population.

### **Rent harmonization model**

World War II seriously disrupted the European housing market in many ways, including the rental housing sector. In the face of wartime inflationary pressures, strict rent controls were applied. After the war, governments were slow to decontrol rents, mainly because of the political risks involved. Consequently, major inequities and distortions arose.<sup>14</sup>

First, rent controls created inequities among renters. On the one side, were the longstanding tenants who paid low rents and, on the other side, young couples and war veterans, who paid high rents as recent entrants into the housing market. Second, controls led to inequalities between renters and landlords. Often rents neither covered operating costs, nor yielded a fair return on capital invested. Third, rent controls led to widespread physical deterioration in existing housing. Finally, they were a negative influence on the supply of housing. They were not only an incentive to convert rental housing to owner-occupancy or commercial use and in certain circumstances to demolish the building and sell the land, but also a disincentive for new investment in private rental housing.<sup>15</sup>

Although the aim of European governments generally was the eventual abolition of rent controls, it had become apparent by the 1960's that piecemeal liberalization would not succeed alone. Consequently, a new concept of "rent harmonization" or "rent equalization" emerged, in which housing allowances had a strategic role to play. The objective was to move systematically toward a single unified

rental housing market operating as nearly as possible on an economic cost basis. It was believed that, as a result of rising individual incomes associated with postwar national economic growth and inflation, a majority of tenants could afford to pay higher rents. To avoid hardship for those who lived on more or less fixed incomes, a housing allowance or rent rebate would be granted.

This melding of policies was felicitous. It offered a politically acceptable package by eliminating threatened hardship. It introduced an incentive for families to seek housing space in terms of household requirements rather than because of artificially low rents, promoting a more economic use of the existing housing stock. And it offered promise of a fair return on capital to landlords, and thus the capacity and incentive to keep the rental housing stock in a good state of repair.

France appears to have been the first country to link consumer housing subsidies with relaxation of rent controls as an instrument of national policy. In 1948, a modest housing allowance system was introduced to ease the hardship created for persons on fixed incomes who were not able to cope with rent increases.

In 1955, the Federal Republic of Germany adopted its first housing allowance for similar reasons. The allowance was based on the principle that housing expenditures should be kept below 10 percent of the budget for families with very low incomes, rising to 20 percent for those with incomes just under the eligibility limits.

Denmark in 1967 and the Netherlands in 1970 adopted a much more systematic approach. Denmark envisaged the progressive phasing out of rent control over an 8-year period; the Netherlands, over a 10-year period. The assumption was that, during the previous decade, the incomes of most persons had increased sufficiently that they could afford to pay higher rents without exceeding a fair shelter-to-income ratio—in the case of Denmark, 20 percent, the Netherlands, between 13 and 17 percent for families. The housing allowance was an integral part of rent decontrol policy aimed at aiding households with fixed incomes.

Ireland also followed the principle in 1967 with a differential rent policy that adjusted actual rents to the tenant's income and family circumstances, as rents generally were allowed to rise toward a level more in line with the free market.

In the early 1970's, both France and Austria introduced housing allowances to relieve the hardship imposed by increased rents. The French legislation covered only the elderly and the handicapped. The Austrian 1974 law, applying to low-income families generally, also provided that rent increases should be used to cover proper maintenance and, in certain cases, improvement costs. In 1973, the Norwegian Government increased its housing allowance substantially to mitigate individual burdens that might accompany the relaxation of rent controls and the raising of interest rates on existing mortgages.

### **Excessive shelter-to-income model**

The European working class has historically not been able to afford decent housing. Workers' pre-World War I expectations regarding a home and a living environment were therefore generally low, except through the help of the government. After World II, however, several factors combined to alter expectations. European economies spurted ahead with rapid technological change, high economic growth rates, and rising individual incomes. During the late 1940's, the 1950's, and 1960's, great strides were made in rebuilding destroyed cities, and in slum clearance. By the mid-1970's, most countries were succeeding in overcoming the global housing shortage and the age of affluence was bringing hope to the common man. As a result, two issues began to receive increasingly greater attention in housing, that is, improving the quality of the housing stock, and relieving the excessive shelter-to-income burden on low-income families.

The housing allowance is an ideal tool for eliminating excessive rent burdens on poor households. Public policy need but do two things: (1) determine shelter-to-income ratios that various size families can afford, and (2) provide an allowance to cover the difference (or a suitable part of the difference) between actual rents and the maximum percentage of income that families can afford to pay.

This rationale has pervaded several European housing allowance systems, most notably those of Austria, Finland, the Federal Republic of Germany, and the Netherlands. The central principle in the Dutch system is that the tenant should not have to pay more than a reasonable part of his income for rent. In 1978, the standard shelter-to-income ratio for the minimum wage earner, that is, the percentage of income which the tenant was deemed capable of paying for rent, was fixed at 11.2 percent. The Finnish system is similar to the Dutch. In 1983, a three-member household at the minimum wage level was expected to pay 14.5 percent of gross income in rent. The German housing allowance system, covering 1.7 million households or 1 in 16 families in 1978, had as a major objective the reduction of the burden of housing costs on lower-income households. Similarly, in Austria, the Housing Promotion Act of 1968 set up a housing allowance system which focused on the financial burdens which lower income households could reasonably be expected to bear.

### **Tandem-new construction model**

During the 1960's and early 1970's, the increasingly high cost of new construction<sup>16</sup> led inevitably to a growing gap between rents for newly built housing and rents of the older housing stock for roughly equivalent accommodations. One of the dire consequences of this gap was that, in spite of persistent housing need, by 1974 and 1975, a large number of dwellings, especially in Denmark, the Federal Republic of Germany, the Netherlands, Sweden, and Switzerland, were remaining vacant for well over a year because rents

were too high.<sup>17</sup>

In this situation, another housing allowance rationale emerged, which will be called the tandem-new construction model, that is, a housing assistance policy which works as a complementary arm with the national policy on new housing construction. In essence, the housing allowance became a tool to facilitate the renting of new, modern, high-cost apartments to a clientele who could not otherwise afford them.

Norway was a pioneer. In 1967, a National Commission was appointed to design a more comprehensive subsidy system. One of its central recommendations was that subsidies should be paid only to households living in recently built dwellings; these were the most expensive because of high building costs, interest rates, and land costs. But the Commission also recommended that subsidies be paid only for the first 10 years after completion (compared to the then existing 15-year period) and that during that period subsidies should be gradually reduced. The Commission's rationale relating to new construction was generally accepted in the 1972 housing reform.

An interesting variation of this model has been developed in Sweden. In 1966, 43 percent of families with children were living in overcrowded conditions, as legislatively defined, that is, more than two occupants per room excluding kitchen and living room. Sweden undertook a huge effort to upgrade the quality of housing, using the housing allowance as a means of helping large, low-income families to obtain "modern and sufficiently large dwellings." The new system provided an incentive to occupy new, expensive, large dwelling units by offering a higher percent of rent subsidy for the more expensive units, that is, 40 percent, than for the less expensive units, which received a housing allowance of only 30 percent of the rent.

The tandem-new construction rationale also became an important element in the housing allowance systems of France and the Netherlands.

### **Social stability model**

European societies have traditionally put emphasis on social stability. In part, this derives from the class structure inherited from the past, which tended to be threatened by the instabilities associated with social change. In part, the stability has its roots in the strong family, neighborhood, and religious orientation of European urban systems. It may also be partly attributable to the old perception that the size of the national economic pie was more or less fixed and that, consequently, there were fairly well-defined constraints on one's economic well-being. (Such beliefs were common until the unprecedented economic growth following World War II began to belie them.)

In this setting, the eviction of a household because of inability to pay rent is regarded as a serious threat to social stability. It is disruptive to family life and a loss to the neighborhood. To diminish this threat, most European

countries have built into the law considerable tenure rights for renters.

To reduce still further the risk of eviction, a logical next step was to bolster the ability to pay of economically weak households by providing a housing allowance. The elderly have perhaps been among the most vulnerable to circumstances beyond their control. The rent-paying capacity of persons on fixed incomes is rapidly eroded by inflation. Most of the animus of early housing allowance plans for the elderly, noted previously, appears to have been rooted in the concern for social stability. The financial crunch was forcing elderly persons to give up their homes and this was regarded as highly inimical not only to the welfare of those displaced but also to the very core of society itself. There is in this respect, therefore, an overlap between the social stability model and the elderly hardship model.

Similarly, low-income families, already suffering hardship from their economic status, are highly vulnerable to forces beyond their control, such as unemployment and depression. To a considerable degree, therefore, housing allowances in a number of countries have been designed not to improve housing conditions *in situ*, nor to enable households to shop around for alternative accommodation, but merely to strengthen the ability of financially weak households to keep the housing they have.

### **Labor mobility model**

The motif of the labor mobility model is in contrast with that of the social stability model. It is the response of a housing market long under the heavy hand of rent controls.

As noted earlier, there is a strong incentive for households to continue occupying large, low-rent, centrally located apartments long after their housing requirements—as determined by the size of family—have changed, because most alternative smaller units are recently built and, therefore, have much higher rents. Socially, this condition is a gross misallocation of housing space. Economically, it constitutes a serious brake on the rate of national economic growth by preventing the labor force from moving easily as economic growth and job markets beckon. The housing allowance has helped remedy this situation to some extent.

The simplest way to use housing allowances as an instrument for promoting labor mobility is to restrict participation to households living in the most recently built apartments, which by definition were more costly to build and are thus let at the highest rents. All countries have encountered increasingly difficult problems in finding tenants, particularly among low- and moderate-income households, to contract for these high-rent dwelling units. Going back to its early experience, Sweden limited its housing allowance system established in 1947 to dwellings that were erected or converted after December 1947. Norway restricted its 1972 housing allowance plan to housing built after 1962. The Dutch housing allowance system before 1975 was available only to households living in rental accommodation built

after 1960. Two Austrian provinces (Tryol and Vorarlberg) and the country of Denmark have likewise provided that households would be eligible only if their accommodation was built after a specified date.

In 1966, the housing problem became a central issue in Denmark. In a celebrated Housing Pact worked out by the major Danish political parties, one of the major objectives agreed upon was to encourage greater mobility within the housing stock by means of rent harmonization and the introduction of housing allowances for tenants. Similar considerations have also been prominent in French and German housing allowance policy.

Another, perhaps more indirect, way that governments have applied the labor mobility model is by establishing high standards of physical construction and housing amenities as a condition for coverage by the housing allowance system. In many countries, only postwar or even more recent construction—and thus the most expensive rental dwelling units—can meet such requirements.

Again the rationale is similar. Rent controls and the basing of rents on postwar construction costs have created large rent differentials that may not be representative of real differences in housing habitability. Much of this new postwar construction has been in response to economic growth needs, but rent differentials have had the unfortunate result of discouraging mobility in the labor market. Encountering difficulties in letting such high quality, high-rent housing units, governments have developed housing allowance systems as a means of reducing the rent burden and providing an incentive for greater labor mobility.

A number of governments, including those of Denmark, France, the Federal Republic of Germany, the Netherlands, and Sweden, have gone further and used other types of housing assistance to promote labor mobility. For example, in 1975, the Netherlands adopted a rent readjustment grant to assist households that were capable and desirous of living in better accommodations, but who were intimidated by the sudden increase in rent and the burden of moving costs. Three types of tenants were eligible: those leaving an older, cheaper unit for a newly built, higher rent unit (the “moving-up process”); those leaving a slum dwelling for a higher rent unit (“slum clearance”); and those whose rents had been increased because their current accommodations had been modernized (“housing improvement”).

Providing the difference in monthly rent was at least \$11.86, the Dutch rent readjustment grant covered 75 percent of the difference the first year, 50 percent the second year, and 25 percent the third year. In 1982, the grant was lowered to 60 percent the first year and to 40 percent the second year. However, certain ceilings were set. The tenant’s annual 1975 taxable income could not exceed \$11,860 and the monthly rent of the vacated dwelling could not be more than \$98. In addition, a special grant of up to \$1,383 was made available to help cover removal and refurbishing costs for households experiencing major housing improve-

ments or slum clearance and for elderly people moving from low-rent dwellings to smaller, more expensive units or to nonself-contained accommodation.

### Family crisis model

Frequently low- and moderate-income families are confronted with temporary household crises, such as loss of job or ill health of the breadwinner(s), or desertion of the family by the husband or wife. If the family must move because of nonpayment of rent, this imposes a heavy burden on the household and the community, for example, in the loss of local friends and support services and disruption in children's schooling, in addition to the costs of moving. In contrast, if temporary assistance can be provided, the family is generally able to cope.

Probably in most countries this kind of crisis tends to be dealt with through some form of public assistance. But in 1981, Victoria Province in Australia embarked on an interesting pilot rental subsidy program.<sup>18</sup> The objective is to provide emergency financial support to enable families to remain in their existing situation. The subsidy is temporary and is paid out for a maximum period of 12 months. This rationale could be considered as a subset of the social stability model, but because it is sufficiently imaginative in its social and psychological design it is included as a separate model.

A related program, the Mortgage and Rent Relief Scheme, was adopted by the Australian Federal Government in 1982 to provide assistance to "crisis" cases of people in rental difficulties. The Commonwealth provided the States with \$20 million (Australian) per annum on a matching basis for 3 years with the intent of providing short-term assistance (about 12 months) until either the crisis was resolved or a longer-term solution was found. Relief was provided in advance as quickly as possible, the first payment being made within 2 weeks after registration.<sup>19</sup>

IN FOREIGN EXPERIENCE, the housing allowance has proved to be a highly flexible and versatile tool of national policy. Not only has it been an effective means for directly reducing excessive rent burdens on low-income families, especially the elderly, the physically handicapped, and large families, but it has also provided powerful support in implementing other important national social and economic objectives. It has been an instrument for harmonizing rents and in developing unified rental housing markets. It has complemented producer housing subsidy programs in helping to maintain markets for new housing, and has strengthened social stability by assisting financially weak households to keep their housing. Finally, it has been a useful means of stimulating labor mobility needed for national economic growth and the development of new job markets. □

### —FOOTNOTES—

<sup>1</sup> This is an excerpt from a forthcoming report, *Housing Vouchers: An International Analysis*, to be published by Rutgers University Press.

<sup>2</sup> The term "housing voucher" is rarely used in foreign countries.

<sup>3</sup> *Introduction to Social Security*, 3d. ed. (Geneva, International Labour Office, 1984), Chapter 11; *International Survey of Social Security: Comparative Analysis and Summary of National Laws* (Geneva, International Labour Office, 1950), Studies and Reports, New Series No. 23, pp. 21–23, 30–32, 107–09; see also Convention 102 adopted by the International Labour Organisation in 1952, Minimum Standards of Social Security, Part 7, "Family Benefits," International Labour Organisation, *International Labour Conventions and Recommendations, 1919–1981* (Geneva, International Labour Office, 1982), pp. 533–53.

<sup>4</sup> *Etudes sur le Financement du Logement Familial* (Brussels, Union Internationale des Organismes Familiaux, 1953), pp. 6–26.

<sup>5</sup> D. Ceccaldi, "Compensation of Family Housing Expenses," in *Etudes sur le Logement Familial* (Brussels, Union Internationale des Organismes Familiaux, 1955), p. 25.

<sup>6</sup> The International Union of Family Organizations placed great stress on the development of systems to promote interchange of dwelling units within the housing stock. See also *La Mutation des Occupants de Logements dans les Quartiers d'Habitations Sociales* (Brussels, Union Internationale des Organismes Familiaux, 1962).

<sup>7</sup> Lucien Wynen, *Le Financement du Logement Social* (Brussels, Union Internationale des Organismes Familiaux, 1962), pp. 2–5.

<sup>8</sup> *Cout du Logement et Integration du Loyer dans le Budget* (Brussels, Union Internationale des Organismes Familiaux, 1962), 8th sess. p. 2; *Compte-Rendu, 8th Session Plenièrè* (Brussels, Union Internationale des Organismes Familiaux, 1962).

<sup>9</sup> *Cout du Logement et Integration*, pp. 7–8.

<sup>10</sup> *Etudes sur le Logement Familial*, pp. 94–95; *Minimum Habitable*

*Surfaces: Increase in Size and Cost of Dwelling in Relation to the Size of Family* (Brussels, Union Internationale des Organismes Familiaux, 1957).

<sup>11</sup> Ossi Pauku, *The Subsidies of the Housing Sector in Finland in 1956–75* (Helsinki, National Housing Board, 1978), published only in Finnish. Information provided by Keijo Tanner, National Housing Board, Helsinki, Jan. 17, 1985.

<sup>12</sup> Gunter Schwertz, *Systems and Significance of Individual Subsidization of Accommodation Costs in European Countries* (Bonn, Domus-Verlag, 1966), pp. 9, 19, 43, 51, and 59.

<sup>13</sup> Tim Field, "Pensioners Who Rent: Problems and Alternatives," *Social Security Journal* (Canberra, Australian Government Publishing Service, June 1983), pp. 25–26; *Annual Report, 1981–82* (Canberra, Australia, Department of Social Security, 1982), p. 62.

<sup>14</sup> The distortions were so evident that socialists and trade unionists recognized them. See for example, D. L. Munby, *The Rent Problem* (London, Fabian Publications, 1952), pp. 4–5; Heinz Umrath, "Rent Policy in Western Europe," *International Labour Review*, September 1953, pp. 213–15.

<sup>15</sup> E. Jay Howenstine, "European experience with rent controls," *Monthly Labor Review*, June 1977, pp. 21–28.

<sup>16</sup> E. Jay Howenstine, *Housing Costs in the United States and Other Industrialized Countries, 1970–1977* (Washington, Department of Housing and Urban Development, 1980).

<sup>17</sup> A. Andrzejewski and M. Lujanen, *Major Trends in Housing Policy in ECE Countries* (New York, United Nations, 1980), p. 22.

<sup>18</sup> *Rental Subsidy Scheme for Families in Crisis* (Melbourne, Australia, Victoria, Ministry of Housing, 1981), p. 8.

<sup>19</sup> *The Rent Relief Scheme in South Australia: The First Twelve Months* (South Australian Housing Trust, 1984), pp. 2–3.