

# Gimme Shelter

## *Toward Housing as a Right, Not a Commodity*

BY KAREN WHEELER

**T**he current housing situation in several urban centres in Canada — including Metropolitan Toronto — has been called a crisis. Indicators commonly used to support the crisis view include rising housing prices (which have doubled on average since 1985 in Metro Toronto despite the recent small drop in average house price), rising rents, rising ratio of tenants to homeowners, increasing waiting lists for subsidized and social housing, decreasing numbers of tenants who can afford to buy into the housing market, increased proportion of income needed to buy housing, increased numbers of people without any home, underhousing/overcrowding, and an inadequate number of special needs housing units. Again, despite some easing of prices recently, high interest rates — the cost of borrowing — has continued to make housing an expensive proposition. In urban centres especially, the New Right Agenda of privatization, deinstitutionalization, and market-based decision making have had an especially forceful impact.

Women, because of their relative lack of resources to buy into the market, are particularly affected: women of colour, aboriginal women, and women with disabilities, because of added dimensions of discrimination that bar their participation in the labour market, are doubly disadvantaged in attempting to buy housing.<sup>1</sup> When the industrial revolution changed an agrarian-barter economy to a wage-labour one, for most people the single most important determinant of their well-being became their relationship to the labour market. Women's relationship to that market has been dominated by lower pay and bad jobs. Women tend to earn less than men, have more part-time work, and are found in a relative handful of possible jobs and workplaces. The following statistics indicate women's disadvantage.

In 1986, women working full-time, full-year earned 65% of men's earnings. Fifty-two per cent of women working full-time, full-year in Ontario in 1987 earned less than \$20,000, compared to 21 per cent of men. In 1988, 56 per cent of working women in Canada worked in clerical, service, or sales jobs compared to 20 per cent of men. In 1987, 27 per cent of women worked part-time because they could not find full-time work.<sup>2</sup> The under and unemployment experienced by many women puts them at a greater disadvantage in the housing market.

Government policies to address the "housing crisis" focus on ameliorating some of the market-based and market-driven aspects of housing problems: increasing welfare payments in an attempt to help people "catch up" to market prices, streamlining approval processes for private development, establishing quotas

of "affordable housing" in all new development, and releasing some government land to be developed for housing. At the same time, the proposed goods and services tax (GST), a consumption tax, will be applied to new housing sales and the construction industry; it is not yet clear whether the elimination of the existing taxes on the construction industry will flow through to the purchaser and soften the GST's impact.

What is not being questioned is the treatment of housing as a commodity, its availability or lack of it determined largely by marketplace economics, and the role of the political economy of capitalism in engendering and maintaining the housing crisis. An analysis based on the treatment of housing, a basic need, as a commodity would be useful in refocusing people's interpretations of the problem and the solutions. For those working with people most affected by housing problems, such an analysis helps link their private problems to public issues and helps them consider other than market-based housing solutions. One such solution, one which does not rely on a long-term transformation of capitalism, is non-profit, co-operative housing, a realizable and real alternative to the human misery resulting from the treatment of housing as something to be bought and sold.

### The Problem

The Canadian Council on Social Development, in its ten-year analysis and forecast on social policies and programs, noted in 1979 that:

*Canada is experiencing a growing problem in that distinct types of accommodation and services for specific client groups have not been developed. There are major parts of our population — single mothers, young physically disabled persons... urban, native persons, older, single women... who have few, if any, alternatives in the housing market. Many of these groups are not well-served by subsidized housing and the proportion of shelter cost... has increased... Canada has clearly defined target groups and housing needs that cannot be accommodated by the marketplace.<sup>3</sup>*

The report further noted that:

*In the early 1980's there is strong pressure from the best represented part of the housing sector — industry — to remove remaining determinants of housing development from the realm of social policies altogether... Those who cannot afford... suitable accommodation do not have a housing problem*

"per se", but an income problem.<sup>4</sup>

As we enter the 1990s, it is clear that the pressure from private, for-profit industry succeeded in the context of the more comprehensive New Right agenda and that housing needs unmet at the beginning of the 1980s are unmet today.

In the past decade, the largely market-based system of housing provision has:

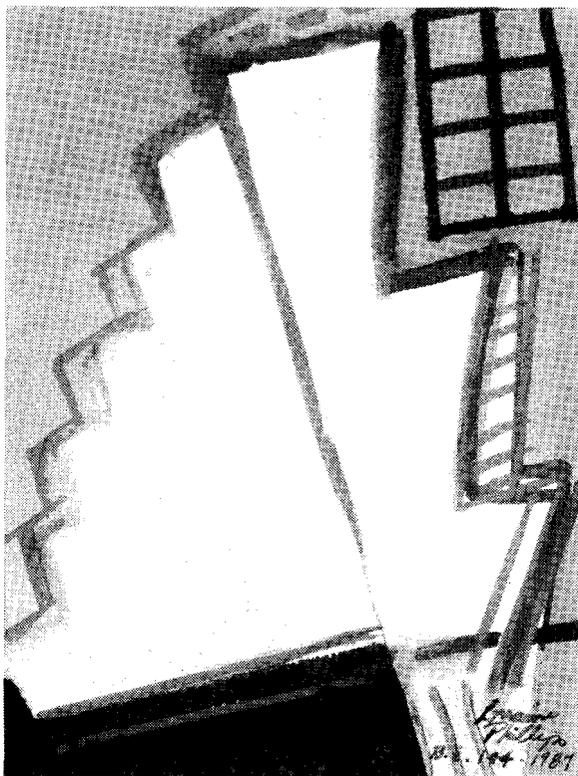
- more than tripled the average Metro Toronto house price (from \$72,439 to \$274,582);
- created a vacancy rate of .001 (representing 1 unit in 3,000 rental units available from the market supply);
- left only 4% of tenants theoretically able to afford the most moderately priced homes;
- left one in four tenants spending more than half their income on rent;
- created an underclass of welfare recipients (who use, on average, 64% of their monthly income to buy shelter) and the homeless (of 4,800 client contacts of one downtown youth service, 1,300 had no fixed address and 1,200 were on the hostel circuit).<sup>5</sup>

However, what the market has created, the market cannot undo. It has been stated that the housing problem cannot be solved within capitalism.<sup>6</sup>

The analytical framework that examines housing as a commodity and the contradictions within capitalism that have generated housing conflicts is an enormously useful one, for the individual struggling to resolve housing problems, as a consciousness-raising tool, as the starting point for multi-issue community organizations, and as a step toward the transformation of capitalist society.<sup>7</sup>

Another important analytical dimension in the provision of housing under capitalism is that it is both a necessity and a commodity. As a commodity, it is distinct: it is "bulky, immobile, and durable...rarely purchased in amounts other than whole dwelling units...and used over a considerable period of time."<sup>8</sup> The

expense of housing is not amenable to quick adjustment in periods of income shifts, as are other expenditures. The immobility of housing, as has been noted, is a determinant of where people can live, in turn determined by what they can afford. Locale is, of course, related to other quality-of-life factors: education, health, mobility, and so on. Its durability means that, over its useful lifetime, it can be bought and sold repeatedly, each transaction being determined "not by its actual cost of production but...by its replacement cost."<sup>9</sup>



The "value" of housing becomes more abstract and its value as shelter diminishes as the housing market operates over time. The operations of the marketplace also make it less affordable to more consumers, as its "value" rises in relation to replacement cost and rent-generating potential of the land on which it sits. It is important to remember that, under capitalism, housing as a commodity is not valued for its ability to shelter, but for its ability to generate wealth.

Housing is, of course, also a necessity; a market-based acquisition paradigm, therefore, presents problems for the interests of capital. These interests want workers with enough income to pay for housing. They also want the lowest possible

wage levels that assure them of the quantity and quality of workers they need. It also presents problems for the state, which must support the generation of capital for private housing interests by supporting the housing market, secure the reproduction of the labour force by, in part, ensuring an adequate supply of housing for it, and intervene to counter the homelessness and underhousing caused by the operations of the market.

### Housing as a Commodity: An Overview of Recent Structural Analyses

*Under capitalism, human labour power is a commodity...most people need to sell their labour power for a wage in order to be able to obtain housing and other necessities, which are, for the most part, commodities as well.*

— Michael E. Stone

Some theorists and activists have recently begun the important work of analyzing the housing crisis under capitalism. They emphasize the inter-relationship between labour as a commodity and housing as an item of consumption. The high cost of housing is linked to the "extremely unequal distribution of income produced by the labour market"; a dialectical relationship exists between the "spheres of production and consumption—in this case between the labor market and the housing market." Simply put, when capitalism transformed an agrarian/barter economy to a wage/labour one, the cash nexus defined the acquisition of housing.

*...[I]ncome is the primary...means of access to housing. The routine operations of land and housing markets will transform income differences into class-based patterns of housing consumption.<sup>10</sup>*

Housing provision is biased: what Marx called the Industrial Reserve Army (the marginal work force under capitalism) is now primarily composed of immigrant and aboriginal women, people with disabilities, and racial minorities. These workers will consume worse-located, lower standard, and smaller housing units because of their marginal, unattractive, and low-paid work, regardless of any other

extant dimensions of discrimination.<sup>11</sup>

It is also thought that "tenure-related divisions," the differences in interests between home-owning workers and other workers will interfere with the development of class consciousness and worker unity and thus obscure patterns of domination and subordination inherent in capitalist societies such as Canada. (The capacity of a homeowner to generate wealth and have security of tenure is also income-biased; the secondary labour force has fewer life-chances to become an owner/occupier.) This fracturing of interests, unequal access to, and unequal benefits from home ownership is "part of a wider system of inequality and exploitation."<sup>12</sup> But it may prove a barrier to recognition of the true problems in the struggle to acquire, protect, and defend one's home; as one author noted "people do not automatically come to assign responsibility to the institutions of capitalism."<sup>13</sup>

Among other factors, the structural analyses noted above emphasize the following:

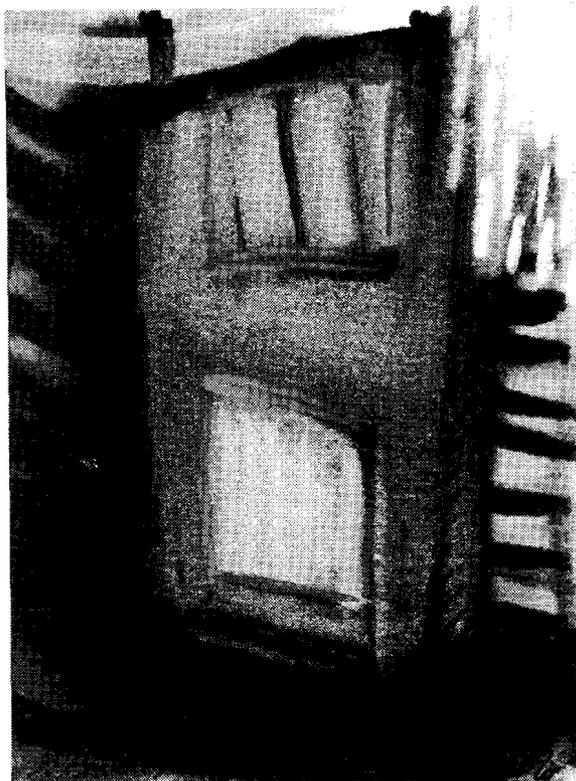
- In a market-based system, security of housing is dependent on one's relationship to the labour market; a corollary is that the secondary labour force, primarily women, racial minorities, aboriginal peoples, and people with disabilities, are doubly disadvantaged in the acquisition of secure housing;
- In a market-based system, the quality of housing (size, location, amenities) is determined by one's ability to pay and structural inequalities in the labour market are mirrored in the housing market;
- In a market-based system, cleavages and divisions occur among owner-occupier workers (who have security of tenure and are stakeholders in the housing market) and tenant or homeless workers, divisions which make it more difficult for all workers to recognize their common interests;
- The state has an interest in maintaining the market-based system of housing acquisition and in softening its hard edges.

Although it cannot offer a long-term transformative solution to the capitalist-made dilemmas of shelter, non-profit co-operative housing can offer an

escape from the market option, a model of housing provision not based on the fetishism of commodities, and the seedbed of growth for a shared ideology of need-based, not means- or power-based, societies.

### Co-operative Housing: An Option

The paradigm of co-operative housing in Canada (with some exceptions) is a non-shareholding one. It otherwise conforms to the standard definition in that housing co-operatives:



- are incorporated; they are legally recognized bodies with the power that all corporations have;
- are democratically controlled; each member has one vote;
- are voluntary;
- have social purposes, principally the provision of good housing at low cost, on a non-profit basis.<sup>14</sup>

Under section 56.1 of the *National Housing Act* in Canada, the federal government subsidizes, among others, co-operative housing (at this time, principally by reducing mortgage interest rates to 2% of market and by providing housing charge subsidies for low-income co-operative members).

The provincial government provides additional funding for housing charge subsidies and recently has committed \$2 billion to add to the stock of non-profit housing. It is important to note that not all non-profit housing is co-operative; the important differential is that of member control and common member ownership through a non-profit corporation.

Because of the existence of subsidies for individual members (from 25-50% of co-operative members are subsidized), housing quality is not determined by ability to pay or by one's position in or outside the labour market. Quality of housing and quality of life issues that confront single parents, immigrant women, racial minorities, people with disabilities — the market-marginalized — become non-issues as far as housing is concerned.

All non-profit housing co-operatives afford security of tenure through the existence of subsidies (emergency and long-term) to deal with income fluctuations and through membership by-laws which explicitly provide security of tenure.

Housing co-operatives do not create class divisions based on ability to buy into the market. They create a housing environment that includes all levels of workers and the marginalized which is intensely interactive, affording the opportunity for people to recognize the sameness of their struggles.

Housing co-operatives create opportunities for real control over an essential element of existence. The housing is owned and controlled by its members collectively; all decisions relating to the housing environment are member-driven. (Ownership is meant in a special sense — individuals cannot own or profit from any part of the co-operative. If it is sold, it is sold collectively; the money derived from the sale must be put into another non-profit or charitable endeavour.) Living in a co-operative is an empowering experience.

As non-profit co-operatives mature, the sector can engage more and more to meet special housing needs. Energies once put into housing struggles can be used (and have been used) to establish appropriate housing for women, for people with disabilities, for seniors.

Non-profit co-operatives provide a

wonderful teaching example for community organization. They exist because a group of people came together, organized themselves, and secured enough money from the state to build housing, as a direct benefit to themselves and a legacy to their community.

It is clear that housing problems will not disappear as long as 97% of provision is left to the market. It is also clear that co-operative housing is not a panacea nor does it contain more than the seeds to transform housing from a commodity to a right. In the short-term, however, it offers a powerful countervailing force to the market, if not in numbers, by example.

<sup>1</sup> Jeffrey G. Reitz, "Ethnic Concentration and Ethnic Inequality," in *The Social Incorporation of Ethnic Groups: A Comparative Study in Toronto*, ed. R. Breton *et al.*, 1989, pp. 229, 281.

<sup>2</sup> Working Group on Employment Equity, Ontario Ministry of Citizenship, unpublished data, 1990.

<sup>3</sup> Canadian Council on Social Development, *Social Policies for the Eighties* (Ottawa: Canadian Council on Social Development, 1981), pp. 76-77.

<sup>4</sup> *Ibid.*, p. 75.

<sup>5</sup> L.S. Bourne estimates that 3 per cent of housing is in the non-private sector. "Recent Housing Issues in Canada: A Retreat from Social Housing," in *Housing Studies*, Vol. 1, No. 2, April 1986, pp. 122-126; Sources: Canada Mortgage and Housing Corporation, Co-operative Housing Foundation, Ontario Ministry of Housing, Community Services and Housing Committee of Metro Toronto, "Final Report of the Task Force on Housing for Low Income People"; for an overview of housing affordability, *social infopac*, Vol. 6, No. 3, July 1987 (Toronto: Social Planning Council of Metropolitan Toronto).

<sup>6</sup> Michael E. Stone, "The Housing Problem in the United States: Origins and Prospects," in *Socialist Review* Vol. 10, No. 4, (Oakland: New Fronts Publishing Co., 1980), p. 67; Bourne, *op.cit.*, p. 125.

<sup>7</sup> Stone, *op.cit.*, pp. 65-66.

<sup>8</sup> *Ibid.*, p. 71.

<sup>9</sup> *Ibid.*, p. 72.

<sup>10</sup> Michael Berry, "Housing Provision and Class Relations Under Capitalism: Some Implications of Recent Marxist Class Analysis," in *Housing Studies*, *op.cit.*, pp. 109-121; Stone, *op.cit.*, pp. 67-68.

<sup>11</sup> Michael Fabricant, "The Political Economy of Homelessness," in *Catalyst*, No. 21, 1987, pp. 15-20; Berry, *op.cit.*, p. 112.

<sup>12</sup> Berry, *op.cit.*, p. 115.

<sup>13</sup> Stone, *op.cit.*, p. 66.

<sup>14</sup> Margaret Digby, *Co-operative Housing: Occasional Paper No. 42*, (n.p.: The Plunkett Foundation for Co-operative Studies, 1978), pp. 1-8.

*Karen Wheeler is a social worker in Toronto. She has been involved in community development, including co-operative housing, for 25 years.*

# Women and Housing

## *A Research Agenda*

BY GERDA R. WEKERLE

**W**omen have become the most vulnerable and desperate group in today's housing market due to their poverty, their reliance on tight rental markets, their responsibility for children, and the discrimination against women with children and women of colour. These critical problems point to a broad research and policy agenda, linking housing to wider social problems, including employment and education policies, availability of childcare and levels of social assistance, systemic discrimination against women, and violence against women and children.

In this brief article, I focus specifically on five priorities for research. Research on women and housing in Canada is fragmentary, often focussing on the situation of one group, such as single parents or the elderly, or on local conditions in one neighbourhood or city. *Women and Housing*, by Jan McClain and Cassie Doyle, published in 1984, is the only profile of women's housing conditions across Canada. While the issues are

still all too current, the 1976 census data on which the book is based, are outdated. Many of the existing studies rely on data collected by others — often Statistics Canada, but also planning or housing agencies.

"Women" is not a unitary category, yet data collected by housing agencies or the census frequently give us only male-female comparisons. The category "women" should be disaggregated to provide more detailed information of the housing needs of single parents, elderly women, women of colour and aboriginal women. It is also important to have these data disaggregated by province as women's experiences differ from province to province and from rural to urban areas.

The first priority then is reliable, accurate, consistent national data on women's housing, which could serve as a baseline for lobbying and policy making at the national and provincial levels. Without a national data base, it is hard to argue that certain provinces are not doing their share or are providing a living envi-