

## **Opinion: How housing associations can seed the civic economy**

POSTED ON 19/08/2011

Jas Bains

7 MINUTES READ

The question what housing associations are fundamentally for is likely to lead to a wide range of different answers across the sector, partially mirroring the particular history and diverse roots of different organisations, and partially the outlook of different people regarding current policy context.

But all those differences pale in comparison with some of the challenges that await us on the horizon. With those challenges I do not mean some of the current hot topics in the

sector such as welfare reform, regional growth policy, etc., though admittedly these are important.

What I mean is some of the fundamental challenges which will drive prosperity – or precariousness – over the next decades. A few of the recent headlines include the potential doubling of global food prices by 2030, the massive price hikes for fuel and electricity affecting people's transport and household budgets, and the increasing recognition – including from the business secretary Vince Cable himself – that the very structure of the UK economy, including its reliance on a few core sectors that all relied heavily on private or public borrowing over the past decade, is fundamentally vulnerable as it relied for growth on borrowing from the future, with evident impact on our ability to grow sustainable prosperity in our current situation

More than the government policies of the next years, it is those structural issues that will inevitably shape the context in which we operate – and, of course, they already do, witnessing the perilous state of employment and income where even increasing numbers of working families now have to resort to food banks to make ends meet.

Fundamentally, what does this mean for HAs? In my view, that any housing association which takes its duties seriously should look far beyond its landlord role and engage with these long-term risks and trends in order to be lucid and straight about the challenges we face. For some housing associations it may mean stepping back and thinking whether or not their current balance of activity (and indeed organisational structure, capability and skills) is the right one for the new environment. It will need new skills, but also a willingness to consider whether new homes should be prioritised above all else (as has – arguably – been the case during the large scale grant/private finance dominated era from 1988 to the present), or whether a more balanced investment approach might be appropriate. If CEOs have increasingly come from the development and finance sides of businesses, might in the future there be a need to invest in growing the community development side of businesses, and growing leaders capable of delivering social innovation as much as financial engineering and mixed use development?

In the wake of the financial crash, banks underwent so-called stress tests to understand better how their assets and liabilities would fare under different (economic, political, environmental) shock scenarios. I dare say that as a sector if we did something similar to analyse the neighbourhoods in which we operate and the assets we own in them, we would have to reflect hard on our liabilities

and risks indeed – and indeed reflect on the consequences that has for how we organise ourselves now.

To me, this means first and foremost investment – with longitudinal impact – in order to grow the real resilience of communities. Nobel Prize winner Amartya Sen makes the argument that it is the conditions for independent human flourishing (the actual freedoms that people have to develop their lives as opposed to the theoretical rights and entitlements we give them) that policy in general needs to focus on. That is a shared task – but housing associations need to play their part. This does take us quite beyond the role of landlord.

Of course this is a space in which many housing associations already operate, combating fuel poverty, investing in people's skills aspirations and self-confidence, and focussing on vital aspects such as health and mental well-being.

But I believe we can go further. Recently, a book was launched at NESTA that gives hints of what we should aspire to together with our partners: the Compendium for the Civic Economy shows a range of examples of how people across places in the UK are already transforming local economies, places and people's life chances through a wide range of initiatives from citizen-built public spaces and member-led supermarkets to new communities of practice for social entrepreneurs, and from locally funded super-fast broadband and self-commissioned housing to peer-to-peer sharing websites. They show how people's initiative can have direct impact on all the basic parameters that determine quality of life – food, housing, communication, transport, work. The protagonists are diverse, and so are the ways in which a range of organisations could support them – from local government to the NHS and from grant-making foundations to social impact investors.

But what is clear to me is that we as Housing Associations need to play a role in what the authors of the book call 'creating the fertile ground' to unleash people's creativity, energy and drive, starting from their strengths not only their needs, to create new initiatives that start perhaps with small scale local street improvements, but that could go all the way to the invention of the new organisations, new web applications, products and so on which will actually improve our quality of life.

And I think we need to go further than we have so far. Because, following the outcomes of the recent SoCap conference in Amsterdam – bringing together world leaders in social investment – it became clear that countries like Britain are now actually getting less impact investment than the developing world – and not, as would seem obvious, because the need there is greater (even though evidently that is also true in many ways) but because there is not the pipeline of civic impact propositions that are actually suitable for investment. Put simply: only if we actually invest and innovate more will there be investment – finance follows where the best stories are. Is there less thirst here to make a difference in our most deprived neighbourhoods, less confidence to think big about the challenges and the solutions, or an ill-informed idea that making money out of good and deeply valuable propositions is somehow wrong? That I do not know. But what I do know is that if the neighbourhoods where we operate are going to be sustainable and worth living in, we need entrepreneurialism, inventiveness, and self-confidence to think big. And there lies a task for us.

So yes our role is changing. For a long time perhaps it was not necessary for HAs to have an economic theory as it was a question of redistributing wealth generated elsewhere – much like in the second half of the last century the welfare state at its height was mostly a social model, and not one that was well equipped to think about re-creating development and growth as it started to stagnate. Fundamentally we are in a different situation because the economic development model we have had – at national level and locally – is broken. And our model cannot just be left to the economists, or be about harsh economic rationality and efficiency – it has to have a moral dimension as well, thinking about what is good and equitable and really valuable in the long term. That's why I think as housing associations we need a model that activates people, that is authentic in that it taps into people's passions and aspirations, and that it is truly all-inclusive in that it focuses both on the mavericks who have plenty of civic and entrepreneurial ideas they wish to develop and on those who will need more time to find their purpose and confidence.

So far so good – but how does this work in practice, and does it make us work differently? We are taken one step that I want to share with you – fundamentally because it is a journey that we wish to share and debate with people. And that is to build an investment fund to grow the entrepreneurialism of our neighbourhoods for true civic impact – whether economically, socially or environmentally. This fund will focus first and foremost on building the capabilities, aspirations, financial literacy and entrepreneurial spirit of young people, enabling them across the different stages of building their ideas and purpose – from early stage inspiration (for example connecting them to their peers whether in Brooklyn, NY, or in amazing organisations in Waziristan, Pakistan), ideation (the actual process through which inspiration becomes translated into tangible ideas), partnership building with those who would benefit from the civic impact, and prototyping and iterating the best ideas. We aim to work – and have already established partnerships with – colleges, social venture intermediaries like Live Unltd, and many others, to learn from them as we build a local neighbourhood fund to seed and support ideas – working with smart processes like 'social challenge prizes' that get participants involved in well-formulated issues, or much more open innovation camp events where anyone can pitch ideas which then get developed collaboratively.

It's early days, but we feel that this is the right track, as we move from a notion of regeneration that was too often obsessed with physical make-overs to one that unleashes the capabilities of our tenants – and their neighbours – to become active agents in their own lives. And this is not about saying that everyone needs to become a business entrepreneur – but about liberating people's different strengths to enable them to make an impact where they would wish.

Some would argue that people and communities can only empower themselves and that empowering others is a contradictory message – and that Housing Associations should stick to what they are best at, namely being landlords. I actually feel that this kind of reasoning makes the issue more difficult in theory than it is in practice – as we choose to invest practically. Our business should be to increase people's freedom and capabilities so that they can choose whether to be our tenants or not. Unfortunately most of our tenants do not have this choice. The 'precariat', the term for those at the bottom that some leading theorists are now talking about is already with us. We need to tell different stories about what is possible instead – and put our money where our mouth is, invest, take risk and build new purpose together.