Verwey-Jonker Instituut

Onderzoek naar maatschappelijke vraagstukken

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Bewoners als klant: een gouden kans?

Een onderzoek naar de implementatie-mogelijkheden van Gold Service in Nederland

Summary

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1 English Summary: Implementation of Gold Service

1.1 Introduction

The previous chapters outlined a step-by-step approach for translating Gold Service, the method introduced at the start of this report, across cultures. Let us review the four steps:

1.1.1 Step 1: proven success?

Achieving transcultural translation starts with the search for appropriate initiatives elsewhere: Did the method prove itself in its original setting? Has reliable research been done to evaluate the dynamics and effects of the method?

1.1.2 Step 2: what does the method solve?

Once you have found an appropriate initiative and have found proof of success, the question is whether the project answers the problems of the situation in your own environment. What problems does the method need to solve? How does the foreign example contribute to the solution and do people in the Netherlands really want to experiment with this innovation? In short, do Dutch people want to adopt the initiative?

1.1.3 Step 3: contextual differences?

After taking the former steps, the actual translation starts by comparing the contexts of the two countries: in this case, the British and Dutch housing sector. How does the foreign situation differ from the domestic one? What are the consequences of these differences for the application of the method and what adaptations are needed to make the method feasible in the Netherlands?

1.1.4 Step 4: implementation

The answers to the questions above enable the formulation of an implementation plan. This involves preparing for the initiation of the project and developing the timetable and necessary logistics that allow for solid agreements among partici-

pants and clear communication. Good communication and explicit agreements are essential during the implementation phase.

1.2 Executing the steps: a review of the chapters

Chapter one described an experiment in Manchester by the Irwell Valley Housing Association. The experiment aimed at analyzing Gold Service in the British context and extracting the core elements and conditions of success of a framework for implementing the innovation in the Dutch context.

1.2.1 Proven success?

The financial success of Gold Service in Manchester is undeniable. The return on the investment of 400.000 pounds was impressive: by reducing the amount of rent due, the costs for preventing vandalism, and the turnover rate, IVHA earned about 700.000 pounds. IVHA now claims to have better relationships with its tenants, leading to visibly lower levels of circulation, vacancy, and maintenance costs per house.

The scope of the method is limited in the sense that it only applies to the majority of tenants whose behavior can be changed, not to the small group of persistent troublemakers. Its impact on the social cohesion of neighborhoods is uncertain. Research by an independent panel observed 'improved neighborhoods and community spirit', but did not provide concrete evidence for such effects. Although some residents seem to meet each other through Gold Service, this strongly depends on the type of neighborhood (e.g., near a square or on a street with a dead-end) and the people who live there. The tenant panels created or addressed by Gold Service often consist of the same hard core we see in the Netherlands: white, female, ages above 40/50.

Perhaps the most persuasive evidence is the popularity of Community Gold, whereby IVHA doubles the amount of bonus bonds that tenants put aside as long as they invest the money in the neighborhood. Only few neighborhoods engage in such collective efforts and often the specific groups involved are elders or families with young children who allocate the funds to a local playground. These groups already have strong ties to the neighborhood and do not require a great deal of additional incentive. Gold Service is therefore particularly appealing for individuals. Yet the application of Gold Service is not limited to tenants of public housing. As the example of Birmingham demonstrates, home owners may also find Gold Service attractive.

1.2.2 What does the method solve?

Gold Service is not a panacea, but a smart and creative way for corporations to invest in their customers. It is based on the idea that taking customers seriously will involve them in the corporation's assets and encourage them to take their own responsibility. Gold Service focuses primarily on the landlord-tenant relationship. Rewarding the tenants who obey the rental agreement with a greater range of choices and additional resources helps build trust and promotes the tenants' auto-

nomy. A corporation can profit from these investments by reducing costs (less overdue rent, lower maintenance and circulation fees).

The problems that corporations can and want to address depend on their contexts. The three corporations that we studied confronted different levels of urbanization in their surroundings and, therefore, faced different kinds of problems. The corporation in Enschede had to deal with the prospect of large-scale physical measures and serious social problems (high turn-over rate, increasing levels of overdue rent, unemployment, educational deficiencies, pollution, and other nuisances) in the Pathmos district. 'De Woonplaats' consequently (increasingly) stresses socio-economic services such as job assistance and education. In Pathmos, for example, contractors are sponsoring several teaching positions.

In the rural environment of Hardenberg, socio-economic problems are much less pressing, but here the corporation faces two forms of ageing: elderly live on their own longer than before, while the youth move out of the area because they cannot find appropriate housing and services. To serve and retain these distinct target groups, 'Beter Wonen Vechtdal' seeks to provide tailored services and facilities. By offering various service packages, attuned to the level of responsibility tenants are willing to take, the corporation tries to expand the number of customers and degree of involvement among the residents.

As a corporation in a major city, 'WoonbronMaasoevers' in Rotterdam not only faces serious socio-economic problems, but also operates in an area with many other service providers and is involved in a wide range of 'livability projects' in the neighborhoods of Rotterdam. To adapt its own activities and initiatives to those of other institutions, the corporation is trying to use Gold Service as a guide for its customer policy. In this case, the corporation plays a relatively minor role and merely coordinates housing services. In other areas, 'WoonbronMaasoevers' cooperates with and supports social organizations that initiate their own projects, for their own purposes.

The three case studies show that the involved housing associations take different positions in the implementation process. De Woonplaats in Enschede has advanced the most by developing its one version of Gold Service. This version has been firmly implemented in the organisation. WoonbronMaasoevers in Rotterdam and Beter Wonen Vechtdal in Hardenberg are still contemplating on the specific form of Gold Service in their own context. WoonbronMaasoevers is able in this to lean on its newly developed customer policy and already implemented initiatives. Gold Service is only part of a bigger picture in Rotterdam. In Hardenberg Beter Wonen Vechtdal decided to build Gold Service from scratch, involving huge commitment from all parties involved. Therefore Beter Wonen Vechtdal puts itself in the most venerable position.

1.2.3 Contextual differences?

The British and Dutch housing sectors are remarkably similar on first notice. Both countries have a large public rental sector and, since World War II, both have experienced a shift in housing distribution from local authority to more independent housing associations, reduction of financial contributions by the government during the 1980s, liberalization of the housing market, and individualization. Behind these similarities remain substantive differences between both housing sectors. The housing market in England is strongly segmented between stock types. If at all possible, most British people buy a house. Privately rented stock remains for pe-

ople who can't or don't want to buy a house. Social housing is left to the elderly and handicapped and everybody else that can't find a privately owned or rented house. This leads to a strong concentration of lower income groups in English social housing. These differences are partly due to the unique historical development of the housing sector in each country.

In the Netherlands, the transition from municipal to privatized (public) housing occurred earlier. In Great Britain, this process is still taking place. In Great Britain, moreover, the transition was not as smooth and, as a result, it still has a public rental sector for the underprivileged. This sector is strongly stigmatized and is often regarded as a relief center for the 'very poor'. This leads to the kind and magnitude of problems that are inconceivable in the Netherlands. Overdue rent is also much less of a problem in the Netherlands and, therefore, automatic payment of rent is irrelevant as a precondition for membership of Gold Service. This makes it much more difficult to make a distinction between good and bad tenants. In the Netherlands, one needs to distinguish between various degrees of 'goodness' among tenants. Dutch social housing was left after the 'Brutering' of the Dutch government with a financial solid base, a reasonable sized stock and a fairly mixed tenant population. In the Netherlands, the public rental sector is much more accessible and much less stigmatized.

Since the rental sector is seen as a relief center, the British welfare sector is closely linked to housing, while in the Netherlands welfare is considered a distinct sector. Consequently, Dutch corporations seek to cooperate with welfare institutions, whereas British housing associations often hire youth workers for themselves. This approach has affected regulation concerning housing: eviction, for instance, is not an option within British law, because tenants have nowhere else to go.

Another important explaining factor is de way in which the government in both countries controls the housing sector. Dutch housing associations are given a lot more freedom than their English counterparts, especially in social housing. The Dutch government controls from a distance by setting negotiation borders. The Central Housing Fund (CFV) and subsidies for new housing provides the Dutch government with a financial string to the Dutch housing associations. The English government controls social housing much tighter: the sector is financially dependent of the government. Privately rented and owner-occupied housing are less controlled. Polarised policy making in England makes housing associations even more sensitive to policy changes. The loosened grip of the Dutch government and their financially solid bases make Dutch housing associations more resistive to Dutch policy making. The wider government intrusion in the Netherlands have nevertheless resulted in greater centralization of price fixing and result monitoring than in Great Britain.The British and Dutch housing sectors are remarkably similar. Both countries have a large public rental sector and, since World War II, both have experienced a shift toward decentralization of housing distribution to municipalities, reduction of financial contributions by the government during the 1980s, liberalization of the housing market, and individualization. Differences remain, however, partly due to the unique historical development of the housing sector in each country.

This means that Dutch corporations that want to adopt Gold Service will have to pay closer attention to the (central and local) government and welfare institutions in their areas. Consequently, the corporation needs to carefully identify its tasks to avoid any confusion among the parties involved about their role and responsibility. The corporation can focus on its core tasks (housing) and cooperate with local

institutions in other areas, as 'WoonbronMaasoevers' in Rotterdam does, or create its own complementary services, as 'Woonplaats' in Enschede has done (and 'Beter Wonen Vechtdal' intends to do, although to a lesser extent). Differences in the nature and size of problems, not only between the Netherlands and Great Britain, but also among Dutch corporations, will lead to the provision of different kinds of services and facilities. Take for example the extent of overdue rent: in Enschede this is a greater problem than in Hardenberg, where the problem is almost non-existent and distinction on the basis of payment is useless. By creating different sets of services according to the level of responsibility tenants take for their houses and living environments, corporations can supply various services without contradicting the core idea of Gold Service: tenants take responsibility in exchange for additional services and facilities. In the Netherlands, tenant responsibility is explicitly linked to autonomy. By helping citizens to be self-sufficient, corporations no longer have to take as much responsibility.

1.3 Core questions

In going through the various steps for implementing Gold Service, we raised a number of important themes that deserve closer attention. Before we present the implementation plan we will discuss these themes briefly.

1.3.1 Theme 1: definition of customer-oriented

What does it mean to be customer-oriented? This is primarily a matter of scope. What customers does Gold Service appeal to? Does the method aim at a specific group of residents or can it be applied to all (groups of) customers? The corporations we researched seem to add a typically Dutch aspect to the definition: the expansion of autonomy and self-sufficiency among the customers. Tenants need to be allowed to confront their own problems, which may vary from purely physical (maintenance of own house and living environment) to socio-economic (unemployment, social relations, and livability) problems. This Dutch flavor brings new meaning to the term customer-oriented: corporations not only need to improve their service to customers; customers also need to be enabled to do more them selves.

The relationship between individual customers and groups of residents in a neighborhood is also an important issue. Do corporations focus primarily on individuals or can they also help strengthen the ties among tenants and the social cohesion of a neighborhood? The case of Manchester demonstrated that Gold Service emphasizes the landlord-tenant relationship. Rewarding tenants who obey the rental contract with a greater range of choices and extra resources builds trust and promotes self-sufficiency among the residents. Corporations can profit from these investments by saving costs.

The method's scope seems to be limited to the majority of tenants who are willing to change their behavior. It does not affect notorious troublemakers. The impact on the social cohesion of neighborhoods is difficult to measure. Although some residents seem to meet each other through Gold Service, this strongly depends on the type of neighborhood (e.g., near a square or on a street with a dead-end) and the

people who live there. Gold Service is therefore particularly appealing for individual residents.

Nevertheless, the Dutch corporations we studied hope to improve the relationships among residents. They give several reasons for this. Residents who feel responsible for their living environment will probably be more likely to get involved collectively. In such cases, trust toward the corporation may translate into trust toward other residents. This way of thinking raises its own problems, though: why would a resident contribute to the neighborhood, if she knows that other residents already do so? In academic language, this is known as the free-rider dilemma. One way to solve such a dilemma is through group pressure: if enough residents participate, you feel obliged to do so as well or else you will be excluded from the group. Another corporation also uses this argument: if the majority of people in a neighborhood feel responsible for the living environment, they will share a commitment to the neighborhood, which in turn encourages social relations. The question is whether social control in a neighborhood will become strong enough, and whether this is a desirable development. Not all residents want to participate actively in community life.

1.3.2 Theme 2: reward or punish?

This brings us to the question of exclusion: does Gold Service exclude certain groups of residents and what responsibilities does a corporation have toward excluded groups? We have already observed that Gold Service does not affect notorious troublemakers or people who refuse to pay their rent. Various interviewees emphasize that this group should be punished through conventional means like eviction. Residents agree that this group should be penalized. In their eyes, rewarding good behavior implies punishing bad behavior.

In Manchester, corporations deal with the recalcitrant 20% by forming so-called 'anti-social behavior teams. These teams consist of housing officers who have links to the police and often cooperate with social-cultural and welfare workers. These teams try to make agreements with people who don't pay their rent and troublemakers in order to prevent eviction. Although Gold Service tries to hold on to customers, the teams often fail to prevent eviction.

The Omaha Housing Association in Nebraska is even stricter. Here defaulters and troublemakers who have been warned repeatedly lose their right to enter the residential area. If they ignore this public order, they go to jail. One must keep in mind, however, that these tough policies are designed to deal with a situation in the American public housing sector that is fundamentally different from those in Great Britain and the Netherlands. Because of their extensive welfare system, these countries face less severe problems and, consequently, less stigmatization of the tenants in this sector: in the United States, public housing is the last and least attractive option. Thus, the Omaha Housing Association uses all means available to control the behavior of defaulters and troublemakers. In Great Britain, in contrast, housing regulations protect tenants: eviction is not an option in British law, because these tenants have nowhere else to go.

These foreign examples indicate that Gold Service cannot be applied without paying attention to exclusion. Favoring obedient residents implies excluding residents who do not meet the service criteria. This may be a deliberate choice to persuade residents to pay their rent, but such forms of persuasion are limited: to control the hard core of defaulters and troublemakers that does not respond to these forms of

persuasion requires other means and interventions. But policies aimed at the 'worst' group of tenants are closely related to policies to improve the behavior of the majority of tenants. Once you set normative limits, you must punish those who repeatedly offend these limits; otherwise, your target group will not take these limits seriously either. Yet Gold Service will primarily benefit from the trust and respect it gains from the majority of tenants, not from its actions against defaulters and troublemakers.

1.3.3 Theme 3: role of the corporation

Besides tough measures against offenders, corporations may also adopt a soft approach to eliminate the obstacles preventing residents from behaving as good tenants. This approach characterizes Gold Service in Manchester, where social involvement is one of the main goals. The services it offers seek to deal with serious social problems in the neighborhoods and make the customer's life more convenient. Through job services, educational funds, and digital playgrounds, residents learn skills that help them in their careers. This, in turn, should improve the quality of life in the neighborhoods that they inhabit. This raises questions about the role of the corporation, though: how far should it go in serving its customers, and where does it enter the field of other (welfare) institutions?

The corporations we researched draw the lines differently. 'WoonbronMaasoevers' restricts its role to coordinating housing provisions. In other areas, it cooperates with various civil institutions that initiate their own projects, which 'Woonbron-Maasoevers' supports. 'De Woonplaats' in Enschede and 'Beter Wonen Vechtdal' prefer creating their own additional services to meet the specific needs of their customers. 'De Woonplaats' focuses primarily on socio-economic services like job assistance and training, while 'Beter Wonen Vechtdal' opts for differentiated sets of services aimed at the youth and the elderly as their main target groups.

In all scenarios, cooperation with other local parties (municipalities and welfare institutions) at the site is crucial. This calls for clear reflection about the tasks of the corporation, to ensure that all parties involved know their role and responsibility. Gold Service always needs to be adapted to the particular situation and its provision of services must be in line with the needs of the groups of customers they want to reach. These groups, and the scale and size at which they can be approached, will vary with the context in which the corporation operates. Adaptation is also necessary to prevent local governments and institutions from covering the same ground as corporations, with contradictory effects. Corporations do not always need to create new service provisions; appropriating existing provisions and networks is often more cost effective.

1.4 Implementation plan

1.4.1 Step 1: Reflecting on content

Adopting Gold Service calls for clear reflection within the organization: does the corporation take the interests of its tenants as starting point for its policies? Gold Service is a philosophy that is directly oriented toward the customer. This philosophy contains a commercial and normative approach, both of which stress the

rights and responsibilities of the customer/tenant. As long as a service is profitable for the corporation (in the long run), the investment is justifiable. Yet social goals are important: the services offered by corporations seek to reduce the number of serious social problems in neighborhoods and improve the customers' quality of life. The services provided must be economically viable, but the final goal is to ameliorate the living environment of customers on the basis of their own interests: satisfied and autonomous customers cost less money.

The normative side of Gold Service is expressed by its distinction between good and bad customers, whereby the latter are treated within the bounds of the law and the former qualify for additional privileges (faster service, more responsibility). Thus, 'bad' tenants receive the treatment they are legally entitled to. Distinguishing among tenants is 'un-Dutch' and often leads to heated debates. But perhaps the term 'self-responsibility' is a more appropriate way to think about Gold Service. This term points to the two-way street between corporations and tenants, whereby the corporation rewards the 'self-responsibility' and autonomy of its customers with supplementary services.

1.4.2 Step 2: Reflecting on organization

Gold Service only works if an appropriate organizational structure and culture exists that adheres to the same values. More specifically, this implies employees who are motivated, customer-oriented, and focused on implementation. By orienting the organization toward implementation and encouraging employees to be customer-oriented (and rewarding them accordingly), they will be motivated to deal with the residents in the same way. This approach requires a cultural transformation within the organization. Not all employees will be willing to adapt to the changes and may feel uncomfortable about the strong orientation toward customers. Intensive preparation and support of employees is crucial for implementation to succeed. The corporation must apply its philosophy internally as well: employees are internal customers whose satisfaction is essential. Just as it rewards good tenants, the corporation must reward its own employees with attractive employee benefits. In other words, after reflecting on the goals of Gold Service (step1), the next step involves (re)structuring the organization to enable the achievement of its goals, both internally (its own employees) and externally (its tenants/customers).

2b: Introducing a customer registration system
An important element of the reorganization process is the introduction of a customer registration system. With every incoming phone call, employees must be able to determine whether the caller is a member of Gold Service, and therefore qualifies for extra services, or 'merely' deserves the standard set of services. Possible agreements with customers concerning overdue rent should also be visible. The experiences in Enschede illustrate that integration of this system with the main data systems facilitates the work of all employees.

1.4.3 Step 3: Reflecting on what customers want

If a corporation supports the goals of Gold Service and has the right organizational structure, the third step is to create an appropriate supply of services for its customers. Being customer-oriented starts with asking customers what they want. Needs in one context may resemble needs in another context, but usually they are different. Implementation of Gold Service generally requires adaptation in the

provision of services: these must be suitable for local needs (compare Manchester, London, and Birmingham, but also Enschede, Hardenberg, and Rotterdam). Often adaptation involves reinvention of existing practices. By creatively responding to the wishes of tenants, corporations can receive impressive returns on relatively small investments. In many cases, moreover, other institutions have already laid much of the groundwork. By taking advantage of previous initiatives, corporations can avoid duplication, but only if they cooperate and communicate effectively with local governments and civil institutions.

Maintaining residents' participation seems to require constant innovation. Residents must have the feeling that housing corporations are continuously attending to the needs of their loyal customers. A policy aimed at innovation also fits within the strategy of housing corporations that seek to give their customers as much responsibility as possible. Offering new services can contribute to the expansion of 'self-responsibility.' This underlines the question of Gold Service's scope: to what extent can a corporation expand its services and for what groups? Earlier, we argued that Gold Service emphasizes the housing corporation-customer relationship. This could be any customer, as long as services are in line with a customer's interests and remain accessible for him or her. It is not necessarily the corporation that needs to provide these services; a third party can also do so, with the corporation as mediator. The scale will also depend on the tasks a corporation wants to fulfill: should the corporation be involved in job mediation, for example? With specific groups like elderly and youth, moreover, concepts such as Community Gold and 'livability stocks' may improve relationships among residents.

The question of scope also has a geographical dimension: is it possible to adopt an area-oriented approach, whereby loyal tenants can move to new houses. In this case, though, a corporation faces legal issues, because the law demands equal access for all tenants. Take for instance the exclusive service that 'De Woonplaats' in Enschede offers its Gold Service members, allowing them to purchase their house after three years. The secretary of Public Housing wrote this corporation a letter stating that such a policy violates the housing law. IVHA in Manchester has consequently chosen not to favor Gold Service members in allocating new houses. While every tenant of IVHA is eligible for a new house, though, Estate Rangers try to persuade all new residents to join Gold Service.

1.4.4 Step 4: Monitoring and evaluating results

An important element of the implementation plan is careful monitoring and evaluation at regular intervals. How successful is implementation? Where are the obstacles and how can they be overcome? Where will new problems arise? Are adaptations needed? Do corporations meet their goals? At this stage, the project team assisting in the implementation of Gold Service plays an important role, and it needs to receive accurate information from within as well as outside the corporation. Surveys among residents can be an important tool in this respect, but residents may grow tired of surveys. Creating customer panels is a more durable alternative that can provide specific and up-to-date information. Timely assistance and participation of employees is also very important during implementation. They will need to put customer-oriented policies into practice, and they will have to be strict when necessary. In every situation we observed, continuous communication among employees, tenants, and other parties like the government and local institutions proved to be a crucial factor.

Besides evaluation throughout the process, good evaluation at the end of the process is also essential: has implementation succeeded? Can we apply the method in other locations or join other initiatives? Are the results durable?

To conclude, we want to emphasize that taking these steps requires time: the cases we researched demonstrated that housing corporations should count on an implementation trajectory of at least one year.

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2 Titel eerste hoofdstuk