

A Housing Co-op Rescue of Public Housing in Germany

Walter Pahl

Today, the built-up area of the Rhine-Neckar region has about 324,000 inhabitants; but in the Second World War it had become virtually uninhabitable, having been subjected to 151 bombing raids. Much of the population had been evacuated, scattered in every direction. In 1945 the first prisoners of war returned from the camps.

Plans for the first major new building project, the "Ludwig-Frank-Siedlung" in Neckarstadt and the Waldpark-/Landteilstraße in the very badly damaged district of Lindenhof were drawn up in 1949-1951 by the Municipal Housing Corporation (GBG). Designed by the famous architects Wilhelm Schmucker, E. Serini and Ferdinand Mündel, the "Ludwig-Frank-Siedlung" was the most sought after address at this time and many prominent citizens made it their first post-war residence. While the floor plans, materials and interiors were very good in the circumstances of the time, they proved to be unsatisfactory in the long run. Immediately after the war people wanted to put a roof over their heads. Affluence and greater pretensions only came later.

Fallen into decay

Both the "Ludwig-Frank-Siedlung" and the building in the Waldpark-/Landteilstraße are on valuable land close to the city centre. We do not know whether this land was regarded as too valuable for the mostly underprivileged groups (principally social assistance recipients, unemployed, foreigners, etc) or whether it was considered simpler to replace these "old buildings" after the mortgages had been substantially repaid with publicly funded new buildings, instead of maintaining them properly and modernising them. In any event, over the last 20 years only the most urgent repairs were made to these buildings, the object being to demolish the 400 dwellings as quickly as possible and replace them.

With the agreement of the owner, the Housing and Urban Development Department's occupancy policy completed the job of spoiling the appearance of the estates. In this way the "Ludwig-Frank-Siedlung" gradually became a focus of social concern with all its negative consequences. The Lindenhof estate was less affected by these developments because the population structure of this district is completely different. Nevertheless, the visible consequences of what in our opinion was irresponsible neglect of the fabric was apparent in both estates. The miserable appearance of the houses, the depressed state of the occupants, increasing vandalism etc encouraged many occupants who valued a clean home and a decent environment to move out, with the result that the spiral accelerated downwards. Finally, the Housing Department observed that the desolate dwellings "were no longer accepted even by those who were in urgent need of housing". Thus by 1989, despite the increasing housing shortage, a hundred dwellings were already empty and rendered unusable by the removal of pipework and sanitary facilities. The situation was steadily moving towards demolition.

The total cost of modernisation was estimated at DM 85 750 per dwelling unit, which would undoubtedly have resulted in exorbitant rent increases. Modernisation to this extent was no more in the interests of the occupants than demolition. The supervisory board finally agreed to accept the proposal of the management to carry out demolition with the slogan "a new building is better than modernisation". Resistance to these proposals increased among the occupants and in the City Council. A "tenants' advisory working committee" demanded that the Society begin renovations immediately. The committee did not ask for expensive modernisation, but only the repair of the facades, guttering, downpipes, windows, entrance lobbies and letterboxes, all of which was urgently needed. A large number of occupants strongly resisted the idea of demolition. The tenants wanted to retain their inexpensive housing and stay in their homes where they were well-established.

The matter was hotly debated at several meetings of the City Council; the intention to demolish the buildings aroused much controversy. Despite criticism, the society's directors continued on the path they had chosen. Cost comparisons were drawn up. The argument was that expenditure running into millions would

be needed simply to maintain the existing unsatisfactory buildings, on top of the money already spent in the past on renovation. Modernisation would cost just as much, if not even more, than a comparable new building on the available land, and even then modernisation would not correct all the faults. The board of directors decided that this eliminated the possibility of repair or modernisation because the technical and economic results would not be justified. But despite all efforts to bring about demolition, everything was about to turn out differently.

Resistance leads to success

What began harmlessly as an initiative on the part of the tenants quickly grew to be a power struggle. The tenants' advisory committee increased its work with the public. The City Council was inundated with information. Meetings were held to inform the tenants on the possibilities of the initiative. The formation of a co-operative was discussed as a promising alternative. But no progress was made beyond the discussion of many plans and proposals. In the meantime the administration was not inactive. The members of the City Council were taken on tours of housing which had become unfit for human habitation. The number of dwellings which had become vacant in the meantime grew. Opinions in the City Council were divided. Having gained an impression of neglected run-down buildings, the number of those backing demolition increased.

In 1989, opinions clashed particularly bitterly at a City Council meeting. The intention was to come to a decision in principle. The administration had submitted the proposal for a redevelopment programme (demolition and rebuilding). The party groups had proposed several motions on this question. The then chairman of the SPD Group, Walter Pahl, expressed the following opinion: "In view of the immense housing shortage prevailing at present, which is likely to become even worse, this is the very time when we should maintain our previously expressed opinion that great care be taken in considering demolition, which means the destruction of available accommodation. Demolition and rebuilding will not create one single additional dwelling, but it will destroy inexpensive accommodation." He again raised the question of a co-operative

to which the buildings would be transferred if the responsible municipal housing organisation did not want to renovate the homes itself, or was unable to do so. "I am convinced that the occupants themselves will make their contribution and become members of this co-operative. By using rent receipts, the co-operative would then gradually be able to renovate these dwellings. In addition, an attempt could be made to find any additional funds needed on the capital market." Other members of the City Council observed that the dwellings were unfit for human habitation and regretted that the occupants had been unsettled by this initiative and a few politicians. They spoke in favour of the redevelopment programme and moved that the applications be rejected. It was even suggested that repair and modernisation would be a waste of public money. However, in the ballot the motion proposed by the SPD, "That the 400 dwellings be renovated and relet, not demolished," was adopted.

In December 1989 a newly elected City Council met, although Walter Pahl did not stand for re-election because of his age. As a result, the residential blocks were again inspected. The management submitted another breakdown of costs to the City Council showing that the accumulated costs for repairs alone amounted to DM 11 269 000 plus DM 2 548 000 for the replacement of pipe installations. To make the vacant dwellings habitable would cost DM 1 333 000, while it was indicated that "there would be consequences affecting costs for the whole block, since reoccupancy necessitated unlimited use of the whole building for years to come, ie more costs should be incurred both for the renewal of supply and waste pipes and for restoring facades, balcony accesses and roofs, including guttering and chimneys". This did not yet include other necessary measures such as entrance lobbies, letterboxes, bell systems, stairwells etc. It was still maintained that "the cost of modernisation would be approximately the same as rebuilding. In view of this, the management feels that modernisation is not acceptable". This was also the opinion expressed by the Baden-Württemberg Ministry of the Interior.

Foundation of the Co-operative

The tenants' advisory committee found it difficult to deal with

the administration without any help from outside, and could find no solution to the legally and economically tangled situation; the committee therefore asked Walter Pahl for his advice, since he was well-known for his many years of service in the national and international co-operative movements. After giving the matter some consideration, he offered his assistance, well knowing that it would be an uphill task to create a functioning co-operative from the top down. Many people forecast that the idea would fail.

Regardless of this, meetings of tenants were held in the Lindenhof and Neckarstadt. Opportunities for self-help, self-responsibility and self-administration, their advantages and limits and disadvantages were thoroughly discussed, and the proposals of the administration and municipal housing organisation were compared and contrasted. The idea of the co-operative (with 150 years of history behind it) came out on top. Against the expectations of the administration, the tenants were prepared to participate in the co-operative by taking shares and providing other services. In this way they would secure their inexpensive accommodation permanently and have a right of representation by being able to cast a vote in fundamental decisions on their housing affairs.

Unfortunately, the pioneer of the co-operative in the tenants advisory committee Wolfgang Schlechta, died unexpectedly in 1990. This was a heavy blow. The loss now had to be made good through harder work. Invitations were sent out to an initial "founders' meeting", in the knowledge that this could only be a test, since the draft constitution still required various additions and amendments due to suggestions by the registry court and the responsible audit association. The supervisory board could not be elected in full at this meeting. Nevertheless, the meeting provided proof that a large number of occupants were ready to co-operate and give their own work and that the idea of a co-operative was not simply a pipedream but a realistic possibility. The initial interim constitution was signed by 53 members. The administration could no longer fall back on the argument that "a co-operative is not a workable solution".

On February 20, 1990 the decision was finally taken by the City Council. A joint application by several parties "to transfer to the co-operative at no charge the dwellings intended for

demolition and to give a grant of DM 5.5 million (half of the contribution requested by the municipal housing organisation from the city authority to restore the dwelling) for the maintenance not carried out for many years", was passed by a substantial majority. The dice had fallen in favour of the co-operative, but the battle continued.

Difficult contract negotiations

Whereas the young co-operative was hoping for a rapid transfer and the start of essential work, the administration put up hurdles which were wrongly described as "more demands" by the co-operative when they were removed later. The large number of contentious issues meant that the contract negotiations lasted longer than expected. This made the tenant members more anxious and impatient; they lost faith in their "project". Every delay resulted in continual cost increases. The most controversial provisions of the contract and their compromise solutions concerned the value of the building, old debts, and ground rents.

The administration originally intended to maintain complete right of allocation over all dwellings. In accordance with the principles of a self-help organisation we insisted on allocating 50% of the dwellings to members of our choice. We were able to insist on our point of view. The results of negotiations were finally approved by a majority of the City Council and ratified by the legislature in Karlsruhe. Transfer of the buildings to the co-operative took place on November 1, 1990. A long journey was complete, and a new, no less difficult, journey had begun . . .

The beginning was made unnecessarily difficult

By December 31, 1992 the most important repairs and modernisation work were complete. A few small jobs were left on the facades and outbuildings and modernisation of sanitary facilities in some of the occupied flats. Most of this work was finished in the first six months of 1993, because the EC Commission approved a grant to finish off the work. The Government of Baden-Württemberg helped with an interest-subsidised loan of DM 5.6 million through the Landeskreditbank.

A large part of the money needed was raised by the members themselves. The result of all this was a visible improvement to the districts where the former "slums" were located. This was noticed not only by the occupants themselves but also with approval by the residents of the districts. There is probably no one left in Mannheim today who will not admit that the experiment was successful and that in retrospect the City Council took the right decisions. If the total cost to our co-operative for repair and modernisation of DM 33 500 per flat on average is examined, it can easily be seen how much was saved by retaining the dwelling. But the fundamental difference is not only to be found in comparing costs, but more importantly that 400 valuable dwellings for a needy group of people has been retained and the "money saved" is still available for the creation of urgently needed new housing.

The quantity of social housing continues to fall dramatically. Where Mannheim had 32 874 publicly funded dwellings in 1987, by 1992 this number had shrunk to 18 845, and this will go down even further to 11 848 by the turn of the century. Although the 400 flats rescued by us are no longer regarded as publicly subsidised housing they are treated by us practically as social housing. We did not increase ground rents until December 31, 1992. Only the additional charges for increased value because of modernisation was passed on. After the Second computation ordinance raised overall rates for repair and administration in social housing the supervisory board and board of management decided to raise our rents by DM 0.80/m²/month as from January 1, 1993. We held four meetings to explain the necessity for this measure to members and to ask for their understanding.

Occupancy structure, membership, rents

Although we had fought to be as free as possible in allocating the dwellings, nothing much changed in the sociological distribution of our residents. Flats which were vacant when we took over or which became vacant later were chiefly allocated to persons and families who could produce a housing entitlement voucher. Because of the understandable wish of our foreign residents to improve their living conditions by dividing their extended families in overcrowded dwellings, the result has been

that there have only been insignificant changes within the various nationalities. At the end of 1992, 392 of the 400 tenants (98 per cent) were members of the co-operative. The remaining tenants persisted in refusing to join without being able to give any reason for this behaviour, since they participated just like the members themselves in the joint work, but without establishing membership. Under the co-operative agreement with the City and under the co-operative principle of equal treatment, these tenants will not suffer any disadvantage. On December 31, 1992 the membership shares were valued at DM 2 293 per member, with membership shares of approximately DM 3 202 each representing a significant group without whose selfless help we would not have been able to progress so far.

In the initial phase we had assumed that with relatively simple means repairs would take 5-6 years. At that time we intended to keep rents at their current levels for 5 years (apart from the additional charges for modernisation), since we did not feel it fair to increase rents before all the buildings were of roughly the same standard. However, shortly before work started the questions began, "Why are you starting there?" "When is it our turn?" "How long is the last block going to take?" We therefore tried to find ways of bringing every building to the same standards as quickly as possible to avoid unfairness. This could only be done by taking out loans. Naturally, even at preferential interest rates, loans have to be repaid. The difference between current social rents and our privately financed rents is negligible. We are very grateful to our tenants and members that they have shown understanding for our financial situation and have accepted the rent increases without any particular difficulty. The average rent excluding heat and light and without the additional charge for modernisation of approx. DM 1.58 for our flats has been increased to DM 4.50/m²/month and is thus extremely favourable. (The initial rent for new social housing in Mannheim has been set at DM 8.) If this fact penetrated the consciousness of our members a little more, stimulating greater efforts in self-help, this would be extremely gratifying.

Administration was difficult and extensive and was carried out by a member of the board, working half time, and a caretaker, while a site engineer was available for technical work, assisted for one year by another employee subsidised by the employment

office. All other work was carried out on a voluntary basis. Voluntary workers, working in their spare time, achieved considerable savings, eg looking after the grounds, on behalf of the members. Our work was also made easier by the voluntary participation of a number of (male and female) carers. It would however be pleasant if a larger number of members would become involved in sharing work. Description of the work in the Neckarstadt-Ost Community Centre which we created also belongs undoubtedly to the social balance sheet.

Neckarstadt-ost Community Centre

When the Vermietungsgenossenschaft Ludwig-Frank EG took over the dilapidated buildings, our main task was naturally to return the neglected dwellings to a habitable condition as quickly as possible. In recent years a large number of foreign families and many underprivileged Germans had settled in the Ludwig-Frank-Siedlung, creating a ghetto which could also be described as a social focus. The other residents of the district had little regard for the inhabitants of these ugly and dilapidated buildings; there was a degree of discrimination which was also suffered by the children at school. For these reasons we began at a very early stage to consider how we could improve the living environment of the occupants - apart from improving the conditions inside their homes - and their opportunities for integration so that they would be able to participate more actively in society. This naturally meant that we had to defuse a certain amount of xenophobia. A former off-licence was converted to a Community Centre. The opening on September 14, 1991, celebrated with a little party, met with much popular approval. This party showed that the cultural diversity of the occupants (originating from 15 different countries) could only enrich us all. The work of promoting understanding, respect and co-operation between the very different national and cultural groups could begin.

The employment department generously paid the bulk of the personnel costs for three full time workers. An extensive programme directed towards our goals was worked out and implemented by as many as 12 volunteers. It was particularly important to offer the children help and improve their

opportunities in starting at school or in a job. Foreign children are often at a disadvantage when kindergarten places are allocated. Therefore a pre-school programme was started to increase the children's language ability by play. Schoolchildren were given help with their homework to improve their chances of obtaining a job qualification. Language courses, needlework courses, silkscreening courses and social events, all linked with language practice, were held to help Turkish housewives with their German and pave the way for contact with the German population.

The first successes had just become evident when, without any warning, we were dealt a heavy blow. A large proportion of the funds for job creation schemes were channelled to the new Länder which meant that the Mannheim Employment Office could not continue to subsidise our scheme. We were only informed of this a few days before so that it was impossible for us to find ways of continuing the work in the Community Centre. Despite the intense efforts of politicians and members of the board of management of the regional employment office, this decision could unfortunately not be changed. The painful consequence was that our employees had to be made redundant and, to our great distress and the disadvantage of the tenants, the Community Centre was closed on May 31, 1992.

But we did not simply give up in the face of this setback. The greater the problems, the greater our determination to overcome them. Fortunately, we had founded a non-profit-making association, the Friends of Neckarstadt-Ost Community Centre. The intention was to pay expenses not covered by grants from the employment administration from the contributions of members and donations which could be claimed against taxes. As long as the job creation schemes were in force this was what happened. But nobody could have foreseen that the grants would be terminated after only one year, since it had been suggested to us that the period could be extended to as much as three years. For that period the donations and contributions of the "Friends" should have been enough to cover unavoidable personnel and material costs of the Community Centre.

But when the job creation schemes were terminated, we had not yet got that far. We therefore increased our advertising for members and donations, approached foundations and the EC

Commission, unfortunately without the success which we needed and hoped for. Even large companies and banks could not see their way clear to helping us with even small contributions. This was the position when we decided on September 1, 1992 to open the Community Centre again. We increased our own private efforts and the remaining expenses were covered by the tenants' co-operative. We began with a teacher. After she had started her work, it did in fact prove possible to obtain a 75 per cent personnel cost grant for this job, with a one year limit, after we had undertaken to create a permanent position beyond the one year. This grant at least enabled us to employ an additional part-time worker.

To improve the Association's financial base somewhat, modest fees were introduced for the children's groups and the various courses offered; this would not even come close to covering costs, but would make some contribution to the total cost. For the most part, these charges were accepted by participants. In special cases, the child-care charges, far below normal kindergarten charges, were paid by the Mannheim Social Security Department. In the meantime, our efforts to recruit members and donors continues. The more money we can raise, the more varied and interesting are our programmes. We also have a great need for voluntary practical assistance. It must be possible for mothers to help with childrens games or handicrafts for an hour or two and take some of the load from the full-time personnel. Others might like to supervise the occasional outing to a museum or theatre or cinema or park. Self-help is extremely important in the Community Centre. One should always help oneself before relying on the assistance of other people. So we are making very high demands. We want our work to make it possible for our tenants from 15 different countries to live and work peacefully with the population of the whole city. That is why we have undertaken to support and integrate the tenants. There are no alternatives to enlightenment and integration. It must be evident to everybody that we cannot do without foreigners. The German population continues to shrink. According to the Rhine-Westphalian Institute for Economic Research, the population has only grown in recent years because of the inflow of foreign workers. Foreigners do not cost taxpayers anything; not only do they pay the cost of their integration themselves, but they finance

our pensions by paying thousands of millions of marks in taxes year after year.

Even if we can only be effective in a small local area, we want our work to contribute to the fight against xenophobia, to improve the economic, political, social and cultural conditions for the people in our care and to help awaken understanding and tolerance in the neighbourhood. We believe that our self-help projects have already earned us an honourable position in working with foreigners in the community. The social care of certain groups in the population, the encouragement of people from different countries of origin to live together in society by offering leisure and cultural programmes is more important today than ever. For this purpose our cities have to be designed more humanely and kept habitable. This is just as important as the nurturing of social life itself. If citizens are to identify with their locality, an attempt must be made to dovetail social and urban quality of life more closely. Prevention is always better than a cure; to embrace is better than to shut out. Encounter leads to dialogue, cultural understanding to greater tolerance. These are the directions in which we wish to work.

Besides the full-time workers and voluntary helpers, 12 persons were employed on a fee for service basis to plan and implement the varied programme of courses. The programme was supplemented from time to time by functions and lectures, eg a lecture and discussion by the Mannheim Building Guild, who introduced building jobs and recruited apprentices from the mostly youthful audience; there was also a talk called "Health, what is it?" by a non-medical practitioner, information on the Health Reform Act etc. We attempt to be as varied as possible and to give something to everybody. Courses are advertised in a display case and on notice boards provided in each house in the estate.

The wish was also expressed in the Lindenhof-Siedlung to have a small Community Centre. We provided this by converting a basement room. It is now very attractive, although very sparsely furnished, but it serves its purpose and has proved very useful for tenant meetings and meetings of "helpers". However, it would be even better if the tenants in the Landteil-/Waldparkstraße were to do more towards filling this Centre with life. Perhaps someone will take the initiative in offering programmes without

full-time staff. There are innumerable possibilities, one only has to get involved . . .

Conclusion

This project, originating from a citizens' initiative in the form of a registered co-operative to prevent the demolition of 400 social dwellings and to secure this valuable living space permanently by repair and modernisation, arrived at a good interim conclusion. Management under a system of self-help and self-responsibility is a permanent task which the members of the co-operative must undertake. Between 1990 and 1992 the enormous efforts of the members and the elected officials achieved a state of organisation and a standard in the building which offers good prospects of maintaining the contracts entered upon for the total period of 99 years.

The establishment of the co-operative - one of a very small number in the last 10 years in the Federal Republic - and its work and objectives can act as a successful example and a powerful stimulus to many countries in the EC. However, it must be borne in mind that conditions, circumstances and requirements differ from case to case and therefore the experiment cannot be simply transferred or imitated. To put a dilapidated group of dwellings in order by a self-administered undertaking, and to operate it by the members jointly requires a powerful driving force, if possible by a large group with a common will. These initiators and those bearing the body of thought directed towards the purpose of the co-operative have to build trust and motivate the majority of members by constant detailed work.

It can be assumed that obtaining a dwelling was the only reason for many people to become members. The readiness to do more than pay for rent and membership shares can only be awoken and encouraged over a period of time. The ideal embodied in the fundamental co-operative idea of contributing as much as possible to one's own good and therefore to the good of the community is first of all very underdeveloped. In a socially weak population with a high proportion of foreigners, systematic social and community work with a cultural emphasis is essential. The importance of work to counteract xenophobia,

cultural development and finally work towards the integration of foreigners cannot be overemphasised. Disadvantages, particularly of children and housewives in foreign families, are removed. Understanding among the German population for other cultures and attitudes is promoted.

Social and community work, is the duty of the municipality, but this will not be forthcoming since budgets are overstretched; it cannot be paid for from rent receipts. Initiative, self-help and solidarity are necessary. For this reason we formed a support group in the form of a non-profit-making association which collects tax-privileged donations besides membership dues so that costs can be covered. The extent of social work depends on the funds available. A minimum programme must be maintained: pre-school age child care, homework help for schoolchildren, German instruction for young people and adults, play and handicraft courses, needlework, lectures, regular discussion evenings. Close co-operation with officials, institutions and welfare bodies is of extraordinary importance. Our most essential links are with the social welfare office, municipal youth group, workers' social aid, joint public relief associations, evening school (VHS), City of Mannheim officers responsible for foreigners and the College for Social Work.

The immense task of enabling different races and ethnic minorities to live peacefully together and be integrated as far as possible without sacrificing their own identity and culture can only be successfully carried out if many of these or similar centres are created in the various districts, covering as small an area as possible, and with the participation of large numbers of citizens and all agencies concerned.

Walter Pahl is President of GdW, the German Federation of Housing Co-operatives.