Housing Policy in Lithuania: A Qualitative Study of Social Housing Problems

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This article aims to examine the Lithuanian housing policy system, with a special emphasis on social housing issues. This study is based on 20 semi-structured interviews with the decision makers and recipients of social housing. The analysis reveals the issues related to access to social housing, management and administration issues, problems related to stigmatisation of social housing recipients, and their overall satisfaction with the provided support.

The study shows that accessing social housing and living in social housing is not an easy task. Social housing recipients have to wait in queues for a long time, experience stigmatisation and constant fear that they may lose their social housing due to a strict income monitoring. On the other hand, the municipality tries to provide friendly strategies to solve individual cases and looks for the best solutions possible to meet the needs of social housing recipients. The findings show that massive privatisation in Lithuania created a dualistic housing market favouring home ownership and marginalising social housing as a safety net for the most vulnerable people. At the same time, a massive home ownership society formed a safety net for many, with family ties playing a crucial role. Housing safety is offered as a part of social assistance programs for the most vulnerable parts of the population.

Keywords: housing policy, social housing, Lithuania, Central and Eastern Europe, interview

INTRODUCTION
The EU is experiencing a decrease in the availability of adequate and affordable housing, particularly for the most vulnerable people (Aidukaitė, Ubarevičienė 2022a, b; Dewilde 2022; Hoekstra, Boelhouwer 2014; Galster, Ok Lee 2021; Preece et al. 2020; Hick et al. 2022; Scanlon et al. 2014). According to recent studies (Aidukaitė, Ubarevičienė 2022a, b), expanding the social housing sector is necessary to guarantee better housing affordability and adequacy. Despite this, social housing is on the decline in many EU countries. At the same time, the demand for social housing is increasing in the EU due to increasing house prices, migration and declining social housing stock. The demand for social housing is particularly evident in the cities (Scanlon et al. 2014).

Since the collapse of communist regimes in Central and Eastern European (CEE) countries, social housing has undergone significant changes. The massive privatisation of
the housing sector, with some variation within the CEE region, has led to higher home ownership rates and negligible and marginalised social housing sectors (Aidukaite 2014; Lux, Sunega 2014; Soaita, Dewilde 2020). Among the EU countries, Lithuania, along with Romania, has the highest number of homeowners (exceeding 90%) (Eurostat 2021). Municipal and social rental housing stock constitutes less than 2% of the total residential stock in Lithuania (Oficialios statistikos portalas 2019). This puts into question the housing affordability and adequacy, especially access to social housing.

This article examines the case of the Lithuanian housing policy system with an emphasis on social housing issues. Previous studies (Aidukaite 2014; Aidukaite et al. 2014; Bobinaitė et al. 2019; Brazienė et al. 2018; Brazienė, Mikutavičienė 2018; Indriliūnaitė 2018) show that since the 1990s housing has become almost entirely a private responsibility in Lithuania as social housing declines. Therefore, this article asks these questions: What is a major goal of the Lithuanian housing policy? How does one qualify for social housing in Lithuania? What kinds of problems are present?

This study contributes to the previous literature (Aidukaite 2014; Brazienė et al. 2018; Lux 2001; Lux, Sunega 2014; Stephens et al. 2015; Soaita, Dewilde 2017) on post-communist housing policy development by enriching the understanding of the Lithuanian case of housing policy development with an emphasis on social housing issues. In previous studies (Indriliūnaitė 2018; Mikutavičienė 2019), it has been shown that there are discrepancies in the size of the social housing sector in different Lithuanian municipalities, as well as problems related to stigmatisation, hierarchy, and marginalisation of social housing. The study by Mikutavičienė (2019) has provided a qualitative insight into the young adults (18–29 years of old) from disadvantaged socio-economic background experiences residing in social housing. According to Mikutavičienė (2019), it was challenging for young adults living in social housing to transition to an independent stage of life due to their parents’ socioeconomic background.

In this article, a qualitative approach is used to analyse the issues in the social housing sector. It is different from the previous research in that it examines both the opinions of stakeholders and policymakers, as well as the opinions of various social groups that live in social housing.

**DATA AND METHODOLOGY**

This study employs qualitative data to study social housing issues. The original data was collected through semi-structured interviews with stakeholders, NGOs, state officials, and the recipients of social housing. Twenty interviews (5 with experts and 15 with the recipients) were carried out in 2018 for the project ‘Housing, Social Mobilization, and Urban Governance in CEE’, funded by Formas, University of Gothenburg, Sweden.

The experts interviewed are from the Lithuanian Ministry of Social Security and Labour, Vilnius Municipality ‘Vilnius City Housing’, and the Ministry of Environment of the Republic of Lithuania. They were selected due to their relevance to the housing policy formation and administration. The expert interviews provide rich information on management/administration issues of social housing, availability of social housing stock/shelter, relationships with the social housing recipients, and collaboration issues between the NGOs and the state’s institutions responsible for social housing. The average duration of the interviews was 40 min.
To address the voice of people who live in social housing, 15 interviews were carried out with the recipients of social housing and shelters. Interviews are a valuable source of information about the stories of people who end up in social housing and/or shelter. Pre-determined thematic questions were asked in a way as to illuminate their problems, family and working histories, relationships with the practitioners, relationships with the neighbours, and their satisfaction with the social housing and shelter housing. The sample was shaped by the snowball principle; the mean interview time was 45 min.

The interviews were conducted with the recipients of social housing in Vilnius city. Vilnius is the capital city of Lithuania; it is the largest city and rapidly expanding (Lang et al. 2021) in which social housing and homelessness problems are more pronounced than elsewhere in Lithuania (Indriliūnaitė 2018).

Out of 15 informants interviewed, 13 were not homeless before receiving a social housing apartment, while 2 males were homeless before receiving a social housing apartment. A typical recipient of social housing could be described as a single mother (either divorced, unmarried or widowed) with 2–4 children. Those who do not fall into this category are those with a history of imprisonment and pensioners (usually those with some physical disability). In addition, the majority of the respondents had lower education, including primary, secondary and vocational education; very few had an unfinished higher education. In general, it took a long time for them to receive the social housing apartment, e.g. they were waiting on average for 6–18 years and some of them even more (e.g. 25 or 27 years). All of them had a very low income and some of them received various social allowances.

The analysis of semi-structured interviews went through major phases of the qualitative analytical process as defined by Meuser and Nagel (2009: 35–36): transcription, paraphrase, coding, thematic comparison, sociological conceptualisation and generalisation. This article reveals the final stages of the interview enquiry – the thematic comparisons, conceptualisation and generalisation. To maintain confidentiality and anonymity of the experts, there were assigned codes E1, E2…E5 to the interviews. The codes have been also assigned to the recipients of social housing/shelter referring to them as SH1, SH2, SH3…SH15.

The study begins by discussing housing policy issues in Lithuania followed by analyses of policy makers’ views through semi-structured interviews. Next is an analysis of 15 interviews with social housing receipts ending with a discussion and conclusions.

**HOUSING POLICY PROBLEMS IN LITHUANIA**

Housing policy in Lithuania must deal with four major problems (Aidukaite et al. 2014; Brazienė et al. 2018; Bobinaitė et al. 2019; Indriliūnaitė 2018; Leonavičius, Genys 2014; Mikutavičienė 2019): 1) increasing house prices; 2) residualisation and stigmatisation of social housing; 3) increasing prices in the rental market and lack of non-profit rental housing, making the home purchase almost the only alternative; 4) problems related to housing maintenance, repair, renovation and heating efficiency.

Although Lithuania is a country of homeowners, buying a home is not so easy. Lithuania is among the EU countries (together with Estonia, Latvia, Austria, Luxemburg and Czechia) in which housing prices doubled (+152%) over the period 2010–2023. For rents, Lithuania (+168%), together with Estonia (+208%), also have the greatest increases among the 26 EU countries (Eurostat 2023).
The high homeownership rate created a shadow rental market. The majority of landlords in major cities of Lithuania make a profit without paying any income taxes from the rental business (Aidukaite 2014; Aidukaite et al. 2014; Nacionalinis skurdo... 2023).

In this situation, when the private actors and the market take over housing production, allocation and price determination, it is difficult to talk about the state’s role in Lithuania’s housing policy. Nevertheless, it is possible to draw the following principles:

1. The major principle is to promote and to support home ownership. This can be determined by the state’s support programs (which are few) for young families to buy houses (for details see Lithuanian Ministry of Social Security and Labour 2022).

2. To support those who are in great need and not able to cope on their own in the private housing market. This is reflected in the state’s commitment to support the most vulnerable part of the population through social housing. However, the social housing in Lithuania is very small and very stigmatised, and provided under a very strict means-test. The demand for social housing is higher than the supply. Since 2014, to reduce the demand for social housing, the government implemented a subsidy for the housing rent for low-income families and persons. This subsidy covers a part of the rent in the private market depending on the recipient’s income and the number of dependents in the household. The figure shows that demand for social housing has been significantly reduced with the introduction of the rent subsidy/compensation. There were 6,809 families and single individuals on the list for social housing in 2015, while in 2021, only 1,548 stayed on the list.

However, the private rental market in Lithuania is shadowy, only 9.3% of those who rent housing take advantage of the housing rental compensation (Nacionalinis skurdo... 2023).

The local governments at the municipality level are the most important actors in housing policy. They are responsible for social housing and also provide the means-tested support to cover housing utility bills for cold and hot water and heating during the winter period (for details see Vilnius 2023).

Figure. Trends in the numbers of families and individuals on the waiting list for social housing in Vilnius
Source: SĮ „Vilniaus miesto būstas”, 2022.
VIEWS OF THE POLICY MAKERS AND ADMINISTRATORS: PROBLEMS AND VISIONS

This section provides the main findings from the 5 experts’ interviews, their views on problems in the social housing sector are condensed and generalised. The analysis of the experts’ views has allowed us to identify five major structural issues as it comes to social housing. First, there is a shortage of social housing, especially in Vilnius. However, this shortage is mitigated by the newly introduced subsidy/compensation for rent.

The issue in Vilnius is that there are not enough social housing units for those who desire them. This problem has been slightly reduced since January 2015 when the law providing compensation for housing rent was implemented …<…>. In Vilnius city, there are a growing number of people benefiting from this support. This is a very good solution (E5).

All experts agree that the subsidy for rent serves two useful purposes: it contributes to the reduction of a shadow economy as all rental contracts, in order to get compensation, have to be legalised and consequently the landlords have to pay taxes; it reduces the shortage of social housing and offers the possibility for a claimant to find a home at his/her own preferences regarding location (close to work or school), the size of the dwelling and quality.

A second important issue raised by the experts is that people staying in line for social housing are in no hurry to take advantage of the housing offered to them or to take advantage of the rental compensation. The experts emphasised that not all people staying in line want to take a subsidy for renting, they also refuse to accept housing offered because the location or quality is not suitable for them. The quotation below shows that many continue to stay on the line and wait for years.

… If you look at the 10,400 families waiting for social housing, they live somewhere. What does this mean? This means that all these families can formalize the contract, whether they live with their relatives or parents. It is possible to formalize the contract and receive compensation for part of the rent. But they don’t want to legalize it. <…> They refuse the offer for social housing or for rental compensation, which means that it is not a pressing need… And why is it not? I say, they live somewhere and hide their income (E3).

The analysis of interviews allows one to state that the demand for social housing may be not so severe as it seems. People live somewhere, they probably live in their relatives’ homes, which allows them to stay in a line for 10 and more years. The massive privatisation has created a safety net for many.

The third issue concerns the uneven distribution of social housing in different Lithuanian regions. The waiting time for social housing is long, especially in Vilnius. It can be up to 10 years, but in some more peripheral municipalities the waiting time can be 2–3 years. Lithuania has municipalities where social housing stays empty and unoccupied. The uneven distribution of social housing was also mentioned by the previous study of Indriliūnaitė (2018). The fourth issue is the declining social housing stock. The supply of social housing is not increasing or increasing very slowly. In relation to the declining social housing stock, the issue of outdated housing stock was also mentioned.

In addition to the major problems mentioned earlier, the interviews revealed that social housing recipients were subjected to stigmatisation. As one of the experts stated:

… one of the difficulties is the negative public attitude towards the tenants of social housing (E4).
Yet, expert interviews also revealed that communities in the neighbourhoods often protest against the settlement of social housing close to their vicinities.

DEALING WITH THE RECIPIENTS OF SOCIAL HOUSING

Above, the structural problems of social housing were revealed. In this subsection, we discuss the individual issues concerning the recipients of social housing. The recipients of social housing have issues paying rent and, in some cases, also have debts for communal utilities. The experts emphasised that those issues were particularly prevalent in households with a disabled family member or among disabled individuals living alone.

It is challenging for people living in social housing to move away, and in many cases, they do not want to move away. People living in social housing often tend to conceal their income or they are cautious about accepting a job with a higher salary because it could result in them leaving social housing. There are instances where individuals intentionally stay in social housing despite being required to leave under the law.

There are cases when people who changed their status (started to receive higher income) do not move out of social housing. I would not say that there is a big problem, but...

On the other hand, sometimes the municipality offers an option to purchase social housing. In this case, the status of social housing must be changed to municipal housing. It was apparent from the interviews that if families are very interested, the municipality can arrange this option. Occasionally, individuals who reside in municipal housing ask to switch to social housing as the rent for social housing is lower. Analysis of the interviews allows us to state that the municipality gives attention to customer requests and adopts customer-friendly strategies. It also pays attention to each situation individually and seeks the best solution.

The analysis of expert interviews revealed that, in Lithuania, social housing is occupied by people with disabilities, large families (three or more children), orphans, and other vulnerable groups (lone parent families and single people with low income). Certain groups have the ability to claim social housing without having to wait in line. The priority is given to individuals with disabilities and those who lost their homes because of natural disasters or fires. Social housing protects families with children in particular. Even with arrears, evicting them is challenging.

It can be concluded from the analysis of the expert interviews that social housing recipients receive a significant amount of protection against evictions, particularly if they have children or disabled family members. The municipality staff takes into account each case individually and endeavours to find positive solutions. This is precisely expressed by the expert below:

There are cases when people living in social housing are unable to pay the rent, they also have arrears for utilities (water, heat, electricity). … The problem is that often disabled people live in social housing, or families with disabled family members, the income of such families is very low. The courts usually take this into account and certainly do not throw such people on the street, delve into their situation and look for opportunities to exempt them from paying utilities and rent for a while.

PROBLEMS OF SOCIAL HOUSING FROM THE VIEWS OF SOCIAL HOUSING RECIPIENTS

The analysis of 15 informant interviews revealed that they encountered similar problems while living in social housing. Some respondents complained about the quality of social housing; this
problem was also mentioned by the experts. Many have experienced no problems regarding the quality of social housing, especially those who lived in a newly built apartment. However, all of them mentioned the problem of stigmatisation. One interviewee (SH5), who experienced stigma, stated the following:

Yes, (they) dislike us, how people talk – uh, “socials” are living. <…> (They) dislike, that we are "socials". "Socials" are not humans. <…> They think that we are tramps.

Among those who claim not to feel stigmatised, some have stated they do not boast about living in social housing, or they hide the fact that they live in social housing. They also mentioned that they try to socialise less with their neighbours.

The problem of queuing for a social housing apartment for a long period is a major concern expressed by social housing recipients. Some of the respondents claimed that they waited for 13 to 27 years to receive social housing.

Analysis of the interviews revealed that social housing tenants pay their rent based on their household income. It can be negotiated. Obviously, the municipality pays attention to the income of the recipients and determines the size of the rent accordingly. Although social housing is less expensive than market rent, many interviewees expressed their frustration with having a little left over after paying their housing utility bills. Some of them voiced their concerns about not exceeding the annual revenue limit, as it could result in them having to leave the social housing apartment. This issue was also mentioned by the experts. People who live in social housing are not motivated to earn a higher income because they could immediately lose their social housing.

To sum up, overall, people are satisfied with the social housing. Stability is something that they desire when renting social housing, as their income is closely monitored annually, and if their income exceeds the supported ceiling, they must move out. This does not encourage them to seek a job with a higher salary. One of the respondents (SH10) mentioned the following:

Yes, there is no stability. <…> Because you never know when they (the municipality) will decide to evict you out... <…> so now I have a higher income because I paid my debt, if they will start to calculate (whether I don’t exceed the limit)... what should I do? Again, I will have to start to look for an apartment, again, I will have to run around Vilnius? <…>.

DISCUSSION AND CONCLUSIONS

A significant feature of the housing policy in Lithuania is the low percentage of social housing in the housing tenure. The study shows that accessing social housing and living in social housing is not an easy task. Social housing recipients have to wait in queues for a long time, experience stigmatisation and a constant fear that they may lose their social housing due to strict income monitoring. On the other hand, the municipality tries to provide friendly strategies to solve individual cases and looks for the best solutions possible to meet the social housing recipient needs.

The expert interviews revealed the following structural problems regarding social housing. On the one hand, there is a shortage of social housing, especially in Vilnius. On the other,
people who are waiting in line for social housing are not eager to take advantage of the social housing provided or the rental subsidy. This means that they solve their housing needs through other means, such as seeking help from family and relatives by offering them stable housing. This is in line with the characteristics of post-socialist housing policy. As stated by previous literature (Indriliūnaitė, 2019; Lux, Sunega 2014; Stephens et al. 2015), the post-socialist housing is characterised by strong familialism in housing production and allocation, and by self-build housing. Previous studies (Indriliūnaitė 2019; Mikulavičienė 2018) have revealed that the intergenerational support in the self-provision of housing is prevalent in Lithuania. Wealthy parents provide a significant assistance to their adult children in making a fast transition towards housing ownership. However, young adults from less wealthy families experience difficulties in acquiring their own housing. The analysis of interviews in this article suggests that family assistance could be even more crucial for households and individuals with low incomes. The stigmatisation of social housing recipients and the declining social housing stock can lead to increased reliance on family help. This is indirectly revealed by experts pointing out the issue of recipients standing in queues for a long time and refusing to take advantages of the housing offered to them or to take advantage of the rental compensation. And directly, through social housing recipients’ interviews, which show that many of them end up in social housing because they do not get much support (or no support at all) from their families/relatives.

Although the rent for social housing can be considered low and depends on the income of the recipient, this study highlights the difficulty of paying rent, particularly for households with a disabled family member or disabled individuals living on their own. This indicates that people with disabilities in Lithuania receive an inadequate public support.

Nevertheless, the evictions are very rare. The analysis shows that social housing recipients are quite protected from evictions, especially if they have children and disabled family members. The municipality staff considers every case individually and looks for positive solutions. There is even a strategy to offer an opportunity to buy social housing or to change the status of social housing to municipal housing or vice versa, in order to insure the best possible solution for issues encountered by the recipients.

According to the findings, Lithuania has a dualistic housing market (Kemeny 1993), with a preference for home ownership and a lack of social housing as a safety net for the most vulnerable people. At the same time, a massive home ownership society, in which family’s ties play an important role, and the state’s support provided by social assistance programs to the most vulnerable populations makes housing a relatively safe place for many.

In summary, the ‘privatization trap’ (Lux 2001) in housing policy in Lithuania can be identified due to the slow expansion of social housing and its vulnerability to privatisation. The ‘decentralization paradox’ (Lux 2001) also applies to Lithuania as municipalities have scarce financial resources to maintain social housing. The political agenda does not prioritise housing issues due to the lack of public resources, especially dedicated to housing.

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References

Būsto politika Lietuvoje: kokybinis socialinio būsto problemų tyrimas

Santrauka
Šiame darbe nagrinėjama Lietuvos būsto politikos sistema, ypatingą dėmesį skiriant socialinio būsto problemoms. Remiantis 20 pusiau struktūrizuotų interviu su politikos formuotojais ir socialinio būsto gavėjais, atskleidžiamos problemos, susijusios su socialinio būsto prieinamumu, valdymo ir administravimo klausimais, taip pat problemas, susijusios su socialinio būsto gavėjų stigmatizavimu, aptariamas bendras jų pasitikėjimas suteiktu būstu ir parama.

Tyrimas rodo, kad gauti socialinį būstą ir gyventi jame nėra lengva užduotis. Socialinio būsto gavėjai turi ilgai stovėti eilėje, patirti stigmatizaciją ir nuolatinę baimę, kad dėl skrupulingo jų pajamų stebėjimo gali netekti socialinio būsto. Kita vertus, savivaldybė stengiasi pasiūlyti draugiškas strategijas atskiriems atvejams spręsti ir ieško geriausių sprendimų socialinio būsto gavėjų poreikiams tenkinti.

Išvados rodo, kad masinis privatizavimas Lietuvoje sukūrė dualistinę būsto sistemą, kai pirmenybę teikiama būsto nuosavybei ir marginalizuojama socialinį būstą kaip saugumo garantą tik labiausiai socialiai pažeidžiamiemis asmenims. Tuo pat metu didžiulė būsto nuosavybė sukūrė saugumo garantą daugeliui, o šeimos ryšiai tapo saugus būsto garantu. Socialinės paramos išmokos suteikia papildomą saugumo garantą labiausiai pažeidžiamoms gyventojų grupėms.

Raktažodžiai: būsto politika, socialinis būstas, Lietuva, Vidurio ir Rytų Europa, interviu