



Overcrowded accommodation – consequences for health and performance at school

Government expenditure for housing allowance has fallen by almost 50 percent over the last 20 years, from SEK 8.4 billion in 1996¹ to SEK 4.6 billion in 2017². This is a consequence of several changes in the regulations governing housing allowance, for instance, the introduction of a maximum limit for living space which qualifies for allowance. Originally, housing allowance was a political intervention whose purpose was solely to guarantee a good standard of housing for low-income households. However, today, housing allowance has a dual-purpose role: it is an instrument of both housing and family policy. As such, housing allowance is an intervention with two objectives³: it is to both guarantee a good standard of housing and provide income support for households with a high dependency ratio in relation to their income.

Previous studies have shown that the change in the role of housing allowance has contributed to the increase in cramped living conditions, as defined in Standard 3⁴, which has taken place in Sweden over the last two decades.⁵ Cramped living conditions or overcrowded accommodation is a matter that the Government takes very seriously.⁶ The risks that are usually mentioned in connection with cramped living conditions are poorer health and poorer performance at school because of not having a quiet space in which to study.⁷ However, no empirical studies have shown that such negative effects exist. There is therefore a great deal of uncertainty about the consequences of the increase in cramped living conditions that has occurred in recent decades.

This audit has analysed the effects of cramped living conditions on health, adult sick leave and on the consumption of social insurance benefits, and on children's performance at school. The aim of the audit has been to increase knowledge about the socio-economic side effects of the way

¹ Riksförsäkringsverket, *Socialförsäkringsboken 1999*, p. 98, 1999.

² Försäkringskassan, *Socialförsäkringen i siffror*, p. 34, 2018.

³ Government Bill 2015/16:1 utg. omr. 12, s. 35, bet. 2015/16: Sfu3, rskr. 2015/16:88.

⁴ Standard 3 is a government guideline for what is considered to be the lowest acceptable standard of living space. The standard stipulates that a household must have at least a kitchen and a living room, and that each family member must have their own bedroom (spouses can share a room) in order for the dwelling not to be considered overcrowded. This means that a household with two children must live in a dwelling with at least 4 rooms and a kitchen.

⁵ See, for example, Enström Öst, Economic incentives, Housing allowance, and housing consumption: An unintended consequence of a shift in housing policy. *Journal of housing economics*, vol. 23, pp. 17–27, 2014.

⁶ Government Bill 2017/18:1 utg. omr. 9, p. 144.

⁷ Gove, Hughes and Galle (1979). Overcrowding in the home. An empirical investigation of its possible pathological consequences. *American Sociological Review*, vol. 44, no. 1, pp. 59–80, 1979; Goux and Maurin, The effect of overcrowding housing on children's performance at school. *Journal of Public Economics*, vol. 89 no. 5–6, pp. 797–819, 2005.

housing allowance has been designed, in particular as regards the balance between objectives linked to housing policy and family policy.

Results of the audit

The audit shows that the number of people living in cramped living conditions has increased over the last 20 years. The biggest increase is among first generation immigrants. For this category, the percentage of people living in overcrowded accommodation as specified in Standard 3 has risen from 29 percent to 37 percent. In households where at least one parent was born in Sweden, the percentage of people living in cramped conditions has been unchanged during the same period. As expected, overcrowded accommodation is relatively more common in metropolitan municipalities. In 2016–2017, the percentage of people living in cramped conditions in metropolitan municipalities was 24–29 percent, while the percentage for other municipalities was just 14 percent. This audit also shows that overcrowded accommodation is more common among households with the very lowest incomes.

The results of the audit show no evidence that cramped living conditions as defined in Standard 3 have any effect on the health of adults or children, adult sick leave or children's performance at school. In the analysis, the effects of overcrowded accommodation have been analysed with respect to children's and adults' consumption of care services calculated as the number of days spent in hospital, adults' sick leave and use of temporary parental allowance, and children's final grades from compulsory school and upper secondary school.

The results are the same even when stricter criteria are used to define cramped living conditions and the conclusion does not change if the definition for a dwelling not be considered overcrowded is instead that each person must have their own bedroom (spouses can share a room) and that there is at least one other room (a kitchen). Nevertheless, it is reasonable to believe that at a certain level, cramped living conditions would have negative consequences. The results do not include an analysis of the effects of more extreme overcrowded accommodation but the audit shows that more severe cramped living conditions where a bedroom is shared by *more* than two people have doubled over the last 20 years, from around 2.5 percent to 5 percent of the population.

Nothing in the quantitative analysis indicates that the changed role of housing allowance has resulted in higher costs for, for example, care services and social insurance. All in all, nothing in the results of the audit suggest that the people who moved to smaller dwellings after the living space restriction was introduced have suffered any negative consequences as a result of the changed orientation of the housing allowance intervention.

However, the results must be seen in the light of the relatively generous specifications of the overcrowded accommodation standard. For example, Standard 3 may seem to be generous in relation to current housing policy investments. In addition, Boverket (National Board of Housing, Building and Planning) has stated that the standard has not been used in the way it was intended when the standard was introduced. Another example is that the National Board of Health and Welfare uses a more restrictive definition of cramped living conditions than Standard 3 in their advice on the assessment of income support. The results of the Swedish National Audit Office's audit therefore raise a number of questions. Is the current overcrowded accommodation standard

appropriate and can it be used as a benchmark for what is to be regarded as a minimum acceptable amount of living space? Is the standard reasonable in the light of the changed political focus of housing allowance, and is it appropriate with regard to the objectives for the building of housing that the Riksdag has supported?

Recommendations

In the light of the findings of the audit, the Swedish National Audit Office considers that the current housing allowance rule regarding the restriction on living space does not give rise to negative socio-economic effects and is therefore justifiable. At the same time, the Swedish National Audit Office believes it is important that the overcrowded accommodation standard is appropriately formulated.

The Swedish National Audit Office therefore recommends that the Government:

- in conjunction with the ongoing review of the housing allowance intervention, revises both the formulation and application of the overcrowded accommodation standard
- clarifies the purpose of the overcrowded accommodation standard, for example, with regard to how it should influence housing policy, social policy and family policy
- monitors the growing trend and the socio-economic consequences of living in a dwelling that could be defined as extremely overcrowded accommodation.