Homelessness and the Tertiary Welfare System in Sweden – The Role of the Welfare State and Non-profit Sector

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> **Abstract_** *This article discusses homelessness in Sweden in relation to the organisation of the 'universalistic' welfare system, with a special focus upon the boundaries inherent in the system and the role of the non-profit sector within the field of welfare services to homeless people. The empirical material consists of comparative case studies conducted in four Swedish municipali- ties : Stockholm, Malmö, Kritianstad and Eskilstuna. The study was intended to illuminate the complexity of homelessness and especially the organisational context for dealing with this phenomenon, using qualitative research methods including interviews and documentary analysis. We outline a path-dependent model relating to the organization of the welfare system on the one hand and the housing market on the other, exploring how these interact. We detect three levels in the Swedish welfare system. First, the universal, labour-income-based system, provided by national governmental agencies ; second, the local public social welfare system, based on means-tested social allowances ; and third, a non-profit welfare system based on charity. The housing market is organised according to parallel boundaries – the regular housing market, a 'secondary' housing market administered by the local social authorities, and a 'tertiary system' basically consisting of emergency housing and shelters organised by non-profit organisations. The non-profit sector has a strong tradition of helping homeless people, which existed prior to the development of the welfare state, and it has continued to play an important role within the niche of shelters and services to homeless people (a role which has expanded in recent years), in parallel with the publicly organised welfare system.*

> **Keywords_** *Homelessness ; welfare ; cycle of exclusion ; local solutions ; non- profit sector*

Introduction

In this article the issue of homelessness is discussed, taking as its point of departure the organisational context of the Swedish 'universalistic' welfare system. The aim is to illustrate the inherent boundaries of the welfare state and how this affects policy and practice towards homeless people. A particular focus is placed on the role of the non-profit sector within this field.

Our empirical data comprises comparative case studies in four Swedish municipalities: Stockholm, Malmö, Kristianstad and Eskilstuna[1]. The first two case studies represent large Swedish cities, and the second pair represents middle-sized towns. These case studies were conducted between 2003 and 2005 using qualitative research methods – interviews, vignettes and documentary analysis. We interviewed actors representing a broad range of organisations and institutions – local politicians, social services authorities, non-profit organisations, landlords, and representatives of correctional as well as psychiatric care. The case studies will not be presented in any detail in this article, but taken together they form the basis of our line of argument; some empirical examples will be given to substantiate our discussion[2]. We begin with a description of the homeless situation in Sweden and the complexity inherent in this issue. We discuss the boundaries of the welfare system. Thereafter, we argue for what we call the 'vicious cycle of exclusion' to which homeless persons are subjected. We describe the primary, the secondary and the tertiary welfare systems related to the housing market. We then consider the role of non-profit organisations from a historical point of view, as well as the role they play today in local practice, and in particular in organising shelters, before rounding off with some concluding remarks.

The Homeless Situation in Sweden

By international standards, the rate of homelessness in Sweden is fairly low. Even so, the very existence of homelessness must be regarded as a serious failure in a developed welfare society. Since the early 1990s, The Swedish National Board of Health and Welfare (NBHW) – the central authority responsible for social issues – has conducted three nationwide surveys on social services clients and shelter residents: in 1993, 1999 and 2005. The NBHW surveys are not fully comparable

over time due to the slightly different definitions of homelessness that have been used in each survey, but they do indicate the changes that seem to be taking place. The conclusion drawn by the NBHW is that homelessness did not increase between 1993 and 1998 but that the structure of the homeless population did change. The proportion of women increased too, as did the share of people with psychiatric problems, while the situation for people defined as 'rough sleepers' worsened. In the latest survey from 2005 a wider definition was used, which revealed a substantial increase in the number of homeless people[3]. When adjusted to definitions used in earlier surveys, the conclusion is that the homeless population has grown between 1999 and 2005. In 2005 there were approximately 17,800 homeless persons in Sweden (twenty-one per 10,000 inhabitants at the national level), 74% of them male and 26% female. A majority (62%) of the homeless have problems with drug abuse and about 40% are considered to have psychiatric problems (a large proportion even have a so-called 'dual diagnosis') (Socialstyrelsen, 2006). Homelessness in Sweden is primarily an urban problem. 42% of the homeless are reported to be from the three largest metropolitan areas in Sweden, but the NBHW surveys also reveal that the problem, although small in scale, is widespread, existing in a large proportion of Swedish municipalities.

In our case studies we examined how the issue of homelessness is addressed at the local level and this appeared to differ considerably, especially between municipalities of different sizes. It is also important to stress that local Government in Sweden has traditionally had a very strong and independent role vis-à-vis central Government, which gives scope for the development of local policies and local solutions to social welfare problems (Nordfeldt, 2007). During our perusal of local political documents in our four chosen municipalities, it became clear that homelessness is present on the political agendas of the two large cities but is not an issue closely discussed in the two middle-size towns.

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[3]   NBHW 2005 uses the following definition of homelessness: (1) A person referred to emergency accommodation, sheltered accommodation/hostel, short-term accommodation or sleeping rough. (2) A person admitted to or registered at a prison, a treatment unit, supported social services or county council accommodation, private care provider, community home or National Board of Institutional Care institution and intended for discharge within three months after the measurement period but without any prearranged accommodation before being discharged or moving out. (3) A person admitted to or registered at a treatment unit, supported social services or county council accommodation, private care provider, community home or National Board of Institutional Care institution and not intended for discharge within three months but without any prearranged accommodation in the event that he/she should be discharged or should move out at some future time. (4) A person living temporarily and without a contract with friends, acquaintances, family, relatives or with a temporary (shorter than three months after the measurement period) lodging or subletting contract and who on the basis of this situation has sought help or been in contact with the authority or organisation providing information during the measurement period (Socialstyrelsen 2006).

The Complexity of Homelessness

Homelessness is a complicated issue: at the individual level for people and house-holds in this situation; and at the societal level, being a matter that cuts across different policy fields and is without simple explanations and solutions. Homelessness is, by definition, a housing problem. To be homeless means not to be in possession of secure and adequate housing, but homelessness in Swedish society is more commonly regarded as an individual social problem. Surveys on homelessness indicate that a substantial proportion of homeless people have additional social problems, besides the lack of housing. It is hard to establish which comes first in these combinations of problems, 'the chicken or the egg'. In recent decades, research on homelessness has moved on from explanations focusing primarily on individual characteristics and problems, to looking at structural conditions, such as mecha-nisms which exclude certain households from housing and labour markets, and to regard homelessness as the outcome of the interaction between structural and individual factors (Wolch & Dear, 1993; Burt *et al.*, 2001; Swärd, 1998).

Housing is undoubtedly a market commodity, but it can also be regarded as a welfare right (Bengtsson, 1999). In the last few decades the emphasis on market orientation within the public sector has grown stronger, which has affected the extent of public control over the allocation of housing. At the same time, Swedish housing policy has changed. One outcome of these changes is that the *social* element of housing policy has been more or less dismantled (Sahlin, 2006). This has also led to a shift in the political view of homelessness, from a structural housing issue to an individual social problem. This dismantled social housing policy has resulted in the development of local homelessness policies at the municipal level that are directed towards caring for homeless clients through social services (Löfstrand, 2005). This political change also has organisational implications. Issues which used to be considered as national problems relating to the housing market or labour market are now the responsibility of the local social services authorities and by extension, it will be argued, of Christian non-profit organisations (see Olsson, 2007).

The Boundaries of the Welfare System

The complexity of the homelessness situation can be illustrated by considering the inherent boundaries of the welfare system (Olsson, 2007). In every organised system there are boundaries and a selection of members, with rules of inclusion and exclusion (Hechter, 1987; Tilly, 1998). The organised welfare system in Sweden is often described as comprehensive, based on solidarity and general allowances, and in Esping-Andersen's (1990) typology it is characterised as a social democratic welfare state regime. The primary welfare system is based on income-related, non-

means-tested allowances. This system is therefore strongly connected to employ-ment and earned income (see for example *SOU,* 2000 : 3 ; *Försäkringskassan*, 2005). Unemployment and sickness benefits, for instance, are based on previous earned income. This can be seen as the first boundary, both for citizens[4] and for organisa-tions working with welfare provision. The majority of citizens' welfare-related issues are taken care of by the National Insurance, but it is still a labour-income-related welfare system. This is mainly organised by public and Governmental authorities with national responsibility and a national programme.

Labour income is the key to the primary welfare system. A marginal position in the labour market or total exclusion from the labour market also means, by and large, that you are excluded from the primary welfare system and are assigned to the secondary one that is administered by local social authorities and regulated by the Social Services Act (SFS 2001 : 453), and where social security allowances are means-tested.

Since homelessness is primarily addressed as an individual social problem, respon-sibility lies with the local (public) social services authorities at the municipal level, which have been given responsibility under the Social Services Act to provide material support and housing for people not able to acquire this for themselves. Part of the secondary welfare system is therefore the "secondary housing market", which is administered by the local social authorities. This segment of the housing system consists of a variety of different kinds of transitional dwellings : shelters ; monitored or supported housing ; and various 'social contracts' such as emergency housing, training flats and transitional contracts. The terms used for these types of housing differ between different municipalities. Local social authorities hold the contract, subleasing to homeless clients. These different kinds of shelters and dwellings are often organised in a so-called 'staircase of transition'. This staircase approach has become common practice among local social services authorities with respect to assisted housing, and builds upon the logic that homeless people should advance step-by-step upwards under control and supervision to housing with better condi-tions in terms of physical standards and space, integrity, freedom and security of tenure (Sahlin, 1996, 1998, 2005). This secondary housing market has clearly expanded within the Swedish municipalities in recent years. Research from the early 2000s shows an expansion by 58% during the 1990s (Sahlin, 2007).

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4   The definition of the term citizen is ostensive, denoting persons living in Sweden more or less
     permanently. Since the general and universalistic welfare system discriminates between people
     with earned income and those with no income, many newly-arrived people are not insured and
     are unable to claim benefits.

One problematic outcome of the provision of secondary housing through local social authorities is that it seems to reinforce the exclusion of marginal households from the regular housing market (Sahlin, 2007). For one thing, the social services authorities operate outside the regular housing market and have no means of affecting the allocation of social housing. We can therefore speak of a *vicious cycle of exclusion* (Nordfeldt & Olsson, 2006), where the secondary welfare and housing system possesses inherent exclusion mechanisms that hinder re-entry to the primary welfare and housing systems.

Every organisation (public, private or non-profit) has to deal with limited collective resources and so develops a certain limitation in range of practice. The organisational response due to the fact of limited resources is to standardise the organisational repertoire (scale of economy) and, over time, develop certain practises which are also consistent over time (Hechter, 1987 ; Ahrne & Papakostas, 2002). The social services authorities also operate within boundaries, with inherent restrictions on their organisational repertoires that tend to be based on traditional practices and rules. The Social Services Act is general, but social services authorities working at the local level apply local interpretations and develop local practices based on their specific local situations, long-term traditions and (generally) scarce resources.

Beyond the second welfare system, there is a 'tertiary' system designed for people who fall through the safety net and are excluded from both the primary and secondary systems. The tertiary system consists mainly of non-profit organisations working beyond the public sphere but at the same time very much dependent on financing from the local public authorities, while concerned citizens, philanthropists and some private companies also give support to this system. The plight of the homeless has historically been, and still is, a niche occupied by non-profit organisations and charities ; a system in existence long before Swedish modern welfare began to take shape around the Second World War. At that time the welfare state took over tasks from the non-profit sector and became the dominant producer of social welfare services. By tradition, non-profit organisations working with the homeless are often related to the Swedish Church, but are also organised by the Christian free churches. Having worked with the issue of homelessness for over a hundred years, these organisations have developed knowledge, established practices and so secured legitimacy. Although formed to meet the social problems brought about by 19th century urbanisation, they nevertheless continue to fit quite well into the (new) individualistic homelessness paradigm because their focus is on the individual (Olsson, 2007 ; Lundström, 2004 ; Qvarsell, 1995 ; Runquist, 2000).

To sum up, one can claim that the primary welfare system deals with long-term, structural social issues; that the secondary welfare system deals with local, individual social problems; and that the tertiary social welfare system deals with the more acute, individual social problems of the most marginalised or excluded.

The Vicious Cycle of Exclusion

Without regularly paid labour, a person in a welfare system of the Swedish type is relatively disadvantaged. The lack of a regular job creates, in a relative sense, high threshold effects. For example, without a regular income the possibilities of renting or buying an apartment are limited (Nordfeldt & Olsson, 2006).

Falling out of the secondary welfare system can be said to triple these negative effects. There is almost no possibility of re-entering the regular housing market from a reliance on third system organisations. Our claim is that the overall organisation of the general welfare system is beneficial for most citizens and provides social security for the majority of Sweden's inhabitants, but that it has unintended consequences for marginal groups. While the large majority who have incomes manage well, the small section of the population dependent on local social services authorities can be distinguished by spending long periods dependent on social support. There are groups with a marginal position *vis-à-vis* the labour market, which move between positions of employment, unemployment benefits and short-term dependence on social allowances. These groups are not usually excluded from the housing market but rather possess a tenancy or own their own homes since they work from time to time (Svedberg, 1995). Then there are groups with a more marginal or excluded position in relation to the labour market, who are long-term dependent on social allowances. With tougher requirements from landlords for, for example: personal references; a steady income; and a good rent record and credit-worthiness, these groups face severe difficulties in gaining access to the primary housing market, since they neither possess the economic resources to purchase a house or an apartment, nor do they have an income high enough to be able to get a housing loan from a bank.

This group, which is long-term dependent on social allowances, often also becomes dependent on the local social services authorities' secondary housing market. The effect of this is protracted withdrawal from the regular housing market. There is then the risk of finding oneself in a 'Catch-22' situation, where a marginal position in the housing and/or labour market tends to strengthen the other. This can be called the *vicious cycle of exclusion*. The group of homeless people with the most complex problems are therefore often found within the tertiary housing system of emergency shelters, supplied by non-profit organisations.

The Primary, Secondary and Tertiary Welfare Systems in Relation to the Housing Market

To briefly sum up, there is interdependence between the public sector organisation of the welfare system and the welfare offered by non-profit organisations and charities (see Table 1). This division of labour and organisation of the welfare systems also affects the overall organisation of the housing markets. In particular it affects how the primary and secondary housing markets are organised and how much is left over to the tertiary housing system. In Table 1 below we present a description of relations between welfare systems and housing markets and the degree of individual freedom of choice that is inherent in these systems.

Table 1: Description of different welfare and housing market systems

Welfare system.	First, general welfare system. Based on income.	Secondary, local public social welfare system. Based on means test.	Tertiary, non-profit welfare system. Based on charity.
Housing system.	First housing market. Based on income.	Secondary housing market. Based on Social Services Act but also personal behaviour.	Tertiary housing. Based on acute social need.
Degree of freedom within the system for the citizen.	High.	Low.	Very low, but some people may choose these systems because they distrust the public systems.

Overall, this creates a division of labour between the national level and the local level and, more profoundly in the case of homelessness, a division of labour at the local level. This also creates manifest organisational repertoires and limited degrees of flexibility. The division between the primary and secondary welfare systems creates specific organisational outcomes and repertoires, which in turn have created a window of opportunity for other organisational forms to build new forms of activity. In the case of homelessness, the niche was actually filled long before the modern welfare state was created, when the non-profit organisations and charities crowded out other possible organisational forms and thereby also other organisational repertoires. However, this division of labour also creates organisa-tional inflexibility and a set manner of using resources. For this reason we anticipate a rather limited number of actors outside the public sector. These organisations tend to have a fixed organisational repertoire and seem not to be amenable to change. When it comes to homelessness we can expect non-profit organisations

working with acute social need (read shelters) and these would have strong Christian ideological connections (Olsson, 2007 ; Knutagård & Nordfeldt, 2007 ; see also Ahrne & Papakostas, 2002).

Spatial "Isomorphism" in Local Solutions

The Swedish municipalities' relatively high degree of autonomy gives them opportunities to develop local welfare systems, adjusted to local needs and based on local resources. Yet, when studying the field of homelessness, the local models are surprisingly homogeneous. The phenomenon of agents working within the same organisational field tending to adjust their structure and organisation towards each other, becoming more alike, has been labelled by DiMaggio and Powell (1991) as 'institutional isomorphism'. Our case studies suggest that there is also a 'spatial isomorphism' in relation to homelessness as an organisational field, which implies that solutions tend to be similar even in different local contexts. The same model dominates the local authorities' work in all our four case studies, even though there are some local variations. The current dominant model is the 'staircase of transition' described above (Sahlin, 1996, 1998, 2005).

We found that spatial isomorphism is consistent over time, which means that path dependence develops to certain solutions, even though new (and revived old) ideas spread across space, between municipalities. Municipalities tend to imitate each other. A common pattern is that models travel from the larger cities to the smaller towns. At the time of our case studies, the city of Malmö was discussing the introduction of a 'roof over the head guarantee', a model originated in Stockholm at the end of the 1990s. In the last decade, new levels in the staircase model have also been introduced, for example so-called 'low threshold housing' – another idea originated in the larger cities – which means relinquishing previous demands on people to be drug free before they are offered housing.

These diffusion processes take place even when the models are not proven to be successful and sometimes even where they have proved to be failures. This can be called emulation according to the 'garbage-can theory', where the chosen solution to a specific problem need not be the most rational nor the most effective. Solutions tend to seek out problems rather than the reverse (Cohen, March & Olsen, 1972). The 'staircase of transition' model has been criticised by researchers as a less than effective way of solving the homeless problem, since it tends to reinforce rather than address homelessness (Sahlin, 2005). A problem occurring in all our four case studies, for example, is the bottleneck at the highest step preceding the projected step to the regular housing market, which causes the secondary housing market to grow.

Another striking example of the weakness of the model is the re-establishment in many municipalities of the same type of shelters that had been so heavily criticised and, for a period of time during the 1970s and 1980s more or less abolished. We shall return to this below. However, there was little difference between the four cities and any actual variation could be explained by the size (number of inhabitants) of the city.

The Role of Non-profit Organisations –
Both Path Dependence and Innovation

We need to expound a little here on the role and understanding of the non-profit sector in Sweden. This sector is relatively large by international standards and fulfils several different roles. The long tradition of the Swedish non-profit sector is membership-based ownership, democratic organisational structures and voluntary work. Since the 1930s non-profit organisations have been regarded as schools for democracy and citizenship and instruments for political mobilisation as well as sharing the responsibility for developing and carrying out employment policies (Olsson, *et al.*, 2008). In this respect the role of the Swedish non-profit sector, as in other Scandinavian countries, differs from that of many other European countries.

Another traditional role of the non-profit sector, before the initiation of the modern welfare state in the 1930s, was charitable welfare work. As welfare tasks were incorporated into and supplied by the welfare state, the share of the non-profit sector engaged in core welfare domains became very small. For this reason the position of non-profit organisations in the Swedish welfare state has not been uncomplicated over time, especially during the employment of structural political solutions following the Second World War and up to the 1990s. Nevertheless, in some leftover niches the non-profit organisations have continued to play an important role alongside the welfare state in fields such as services for homeless people and treatment for alcohol and drug abuse (Lundström & Svedberg, 2003).

In the early 1990s however, interest in the voluntary sector within the social welfare domain started to change. Dissatisfaction with the welfare state and growing economic problems within the public sector made politicians and state officials begin to look for viable alternatives to state provision. Deregulation and privatisation of the public sector in Sweden as in many other European countries opened up opportunities for non-profit organisations to initiate and/or increase their welfare and social service activities (Brandsen, *et al.*, 2008). However, there has been no fast or substantial growth of non-profit welfare and social services, rather a slow and steady increase in certain fields. The pattern in recent years has been some

growth within the field of health, while there has been an ongoing effort from both the non-profit sector and, recently from the Government, to develop clearer rules for interaction between the state and the sector (*ibid*).

This growing interest in the non-profit sector has been explained, on the one hand from ideological standpoints as a critique of a too powerful, over-bureaucratic welfare state excessively interfering in people's private lives. On the other hand the need to reform the welfare state can also be explained by growing financial pressures on the public sector, especially on the provision of core welfare services at a municipal level (Olsson *et al.*, 2008; Lundström & Svedberg, 2003).

As a result, the Swedish welfare state now involves a small but significant portion of service delivery from both the private and the non-profit sectors, although the public sector has remained the dominant actor in the welfare field with state-owned and state-controlled welfare services accounting for just under 90% of welfare service employment (Brandsen *et al.,* 2008; Trydegård, 2001).

In the four municipalities investigated there seemed to be a broad political consensus supporting the involvement of non-profit organisations. The strongest opposition actually came from an organisation run for and by homeless people, which demands housing rather than charity and shelters; but as mentioned earlier, there is also a strong tendency in every organisation to continue as before. Several of the Christian-based organisations emerged during socially unstable times (Olsson, 2007; Swärd, 1998; Meeuwise, Sunesson & Swärd, 2000). To provide a bed for the night and a meal was the task then, and still today it is an important mission. This pattern, typical of the time from which they emerged, is inherent within the Christian organisations – a sort of 'social DNA' imprinted on the organisation (Olsson, 2007) – and their ability to act in a different way seems limited (Stinchcombe, 1986). Therefore, the probability of new patterns or new organisational behaviour springing up within these traditional organisations is small. This is also true of the local social services authorities. Changes in the environment and in habits demand new organisational contexts. What we see at the local level are rather fixed and predictable solutions. If innovations occur, they will most probably stem from new initiatives outside the niche of the dominant organisations (both the public and the non-profit ones), and in spaces not inhabited by the old organisations.

The "Tertiary Welfare System" in Local Practice

Briefly, to illustrate our empirical findings at the municipal level, we draw on the comments of one non-profit manager interviewed who pointed out the risk that the church and non-profit organisations are considered to be, and are used as the last resort by local authorities: "At the same time" he said, "it is our role to help people in acute situations, not asking any questions about reasons and actual needs. This is part of our ideology." This view was common among the non-profit organisations, but was also known and shared by the local public authorities. Politicians appreciated the non-profit organisations working with homeless people in terms of the choice and variety of service provision that could be offered. One public officer commented that not all people want to have contact with local authorities. Another politician recognised the public sector responsibility, but said that non-profit organisations were probably better at handling social support, reflecting an overall public sector view that since these organisations operate at 'street level' and, as he felt that people working in non-profit organisations are more personally involved, these organisations are "better" at handling acute situations. 'Acuteness' was a common organisational theme. An overall view shared by both public and non-profit actors was that acuteness seems to work as a divisor of labour, or as many also expressed it, non-profit organisations are a vital complement to the public sector. This is wholly in line with Tilly's (1998) suggestion that it may be a shared interest to entertain the same perspective, since this joint view benefits all parties.

Emergency Shelters as a Recurrent Solution

One example of a new development which illustrates organisational 'path dependence' is the re-emergence of emergency shelters, as was the case in all four of our municipalities. Since the mid-1990s the number of emergency shelters and the proportion of municipalities that have such shelters have increased. This is a model that is spreading between Swedish municipalities, although it is not a new model or an innovation. The re-emergence of shelters is a common feature of our four case studies and is in line with the growing municipal tendency to turn to non-profit organisations for solutions for rough sleepers and people regarded as more or less chronically homeless, and in line with the common understanding that non-profit organisations are best suited to handling acute need.

The re-emergence of shelters can be seen as a particularly noteworthy development. During most of the 20th century, emergency shelters were criticised for their low standards and were deemed unworthy to be human lodgings. During the 1960s and 1970s most of the shelters in Sweden were shut down and replaced by other

forms of accommodation. The 'new' shelters are in many ways based on the same ideas and are spatially designed in much the same way as the old traditional 19th century shelters. They cover basic needs, have strict rules and there is little or no 'home' furnishing (Knutagård & Nordfeldt, 2007). One reason for this return to the old ways of working is tradition, which has persisted within the family of the Swedish Church and in a restricted group of Christian-ideology non-profit organisations (Olsson, 2007). Even if the form was nearly gone, the knowledge of the old practice remained within this specific context and at a time of perceived need, the shelters were seen as an immediate response to that need. They are also seen as a tangible sign of endeavour. From the local public authority viewpoint, this last dimension should not be underestimated. The growth of emergency shelters is a revival of old ideas, steeped in historical experience and kept alive in long-established, still functioning organisations that also fit in with the public sector division of labour between municipality and central Government.

Conclusions

In this article we have sought to shed light on the phenomenon of homelessness in Sweden, especially the organisational context dealing with this problem and both the traditional and the new roles of the non-profit sector. We have attempted to outline a path-dependent model relating to the organisation of welfare and the housing market and their interaction. In the Swedish welfare system we detect three levels. *First*, the universal and labour-income-related system provided by national governmental agencies; *second*, the local public social welfare system, based on means-tested social allowances; and *third,* a non-profit welfare system based on charity. The organisation of the local public social welfare system is dependent on a boundary drawn within the general or primary welfare system. The organisation of the tertiary welfare system is dependent on a boundary drawn in the local public (secondary) social welfare system. Boundaries are drawn, as in every organisational setting, because of limited resources as well as the tendency to cling to previous organisational practices.

The housing market system has a strong connection to the welfare systems. *First*, there is an open housing market based on income. *Second*, there is a 'secondary' housing market, based on the Social Services Act but also steered by individual behaviour. *Third*, there is tertiary housing (shelters), based on acute social need. The secondary housing market system is organised by local public social authorities and the tertiary housing system mainly by non-profit organisations and charities.

We have tried to show how the universalistic welfare system (see Esping Andersen, 1990) includes a majority of the population and excludes a minority. This exclusion is mainly based on whether or not the individual has an income from employment. The Social Services Act guarantees people a place to live and means-tested financial support, but there is also exclusion by the local public social authorities due to lack of resources or lack of organisational repertoire. This creates a window of opportunity or specific niche for non-profit organisations and charities. Based on long tradition, many of these organisations have a Christian ideology and with their long-standing legitimacy there often seems to be a preference for this type of organisation. The more individual solutions provided by non-profit organisations seem to fit with an overall individualistic paradigmatic view of social problems – both at the local and the national level – and hence of homelessness.

Even though the modern welfare state is based on ideas of generality, to cover all basic needs there have always been non-profit organisations working with margin- alised groups. When we analyse the welfare system from the point of view of organisational theory, it actually makes sense that we can still see non-profit organisations and charities working with homeless people. The obvious reason is boundary-drawing within the public sector itself. The public sector at the local level provides resources and also legitimates these non-profit organisations, which are mostly seen as well-established providers, but are dealing with acute social need and homelessness in terms of providing shelters.

The division of labour between local public social services authorities and non- profit organisations and charities means that the latter more often work with people who have little or no contact with the public sector, many of whom are in a very difficult and acute situation, while the local social services authority works long-term with people in less acute need. Often the work done by the non-profit organisations is seen as the first step, but as we see it, a huge step.

The main responsibility for the issue of homelessness today is placed with the local authorities who provide solutions on the individual level. National policy focuses on local-level solutions and not so much the underlying structural housing problems. This is mainly due to organisational forms and former practice, where new forms of organisations and new forms of working with homeless people are both intentionally and unintentionally hindered by old organisations and traditions (both public and non-profit). A major obstacle in Sweden is to combine national and structural measures with local responsibility, as well as with individual and local solutions, but this appears difficult due to the long-standing organisational division of labour in this field.

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