Planning policies and affordable housing: A cross-comparative analysis of Portugal, England and Denmark

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Purpose

• To highlight the importance of housing & planning as a field of state intervention to produce improved social and spatial results

• To give an account of studies that have used ‘ideal type’ methodology to compare welfare, housing and planning regimes
Housing the wobbly pillar of the welfare state

- Housing has occupied a relatively weak position within systems of welfare when compared to domains of social policy such as social protection/security, health, and education.

- Housing is largely a market commodity modified by subsidies and regulation (Kemeny, 2003).
Housing and collective services (euros)

Denmark

Portugal

Source: Statistics Denmark
Social protection expenditure by function (%) in 2015 (Eurostat)
Methodology

• Social science research - neither quantitative nor qualitative forms of data analysis have all the answers

• Quantitative methodologies are important for classification, measurement and analysis

• Qualitative frameworks are crucial to understanding ‘why?’ and ‘how’ questions (e.g. the rationale behind tools and instruments)
The ideal-type

- Created by Max Weber in 1904 (Bruun, 2007)
- a theoretical construct to help the exposition of scientific results
- the beginning of a theory about the subject matter used to classify the cases (Peters, 2013)
- useful to challenge the current thinking (TINA - There Is No Alternative)
Welfare State Changes and Outcomes – The Cases of Portugal and Denmark from a Comparative Perspective

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Abstract

It is well known that welfare states ensure a certain level of social protection affecting levels of well-being and the extent of inequalities in society. Changes within crucial domains of social policy, such as education, health, or social protection, have, therefore, a major effect upon individuals’ opportunities. In this article I compare the effects of these changes in two countries from the mid-1990s to the financial crisis of 2008. Portugal that was a latecomer in welfare state development and Denmark was at the forefront of de-commodification and universalization of social rights. The conclusion of this article is that income inequality has been steadily increasing in Danish society; while in Portugal, despite improvements in many social domains (healthcare, poverty alleviation, unemployment protection), problems of inequality remain deeply embedded in the country’s social and institutional structures.

Keywords

Welfare state regimes; Welfare state outcomes; Inequality; Portugal; Denmark
Theory of Welfare State

- Welfare State: a theoretical construct for the measurement of the position of each country, with regard to its capacity to support the welfare of households and communities

- ‘The welfare state is not just a mechanism that intervenes in, and possibly corrects, the structure of inequality, but it is, in its own right, a system of stratification’

  (Esping-Andersen 1990: 23)
The three worlds of welfare capitalism

- based on the quality of social rights/level of decommodification provided by welfare systems
  - the degree to which individuals or families can enjoy a socially acceptable standard of living, independently of market participation

- and the type of stratification produced by the state
Esping-Andersen (1990) identifies three ideal-types of welfare regimes

<table>
<thead>
<tr>
<th>Social Democratic</th>
<th>Corporatist</th>
<th>Liberal</th>
</tr>
</thead>
<tbody>
<tr>
<td>High levels of <strong>de-commodification</strong> universalism and solidarity are key values of the system</td>
<td>An intermediate level of de-commodification</td>
<td>Modest levels of de-commodification Individual freedom</td>
</tr>
<tr>
<td>Well-funded public welfare benefits financed by taxes</td>
<td>The level of social protection is based on the status of individuals in the labour market and the history of paid contributions.</td>
<td>Little state interference and a strong market orientation. Social benefits are means-tested, e.g. conditional on the beneficiary's income / wealth</td>
</tr>
<tr>
<td>Denmark</td>
<td>France, Portugal?</td>
<td>England</td>
</tr>
</tbody>
</table>
Ideal-types of welfare regimes

• Portugal:
  • an underdeveloped version of the corporative/conservative regime?
  • a fourth regime? Qualitative different arrangements between the state, market and family
  • Highly fragmented system of protection

• Lack of agreement
  • explained by the statistical data employed, and methods in terms of social groups, data sources, indicators and cut off points
Esping-Andersen’s theoretical framework

**GOVERNMENT SPENDING**
- The quantity of welfare provision on social protection (how much)
- By function (health care/poverty alleviation)

**EFFECTS ON SOCIETY**
- Levels of inequality
  - Gini index
- Inequality of income distribution
- Poverty rates (before and after taxes transfer)
‘At risk of poverty’ rate (cut-off point: 60% of median equivalised income after social transfers)
Inequality of income distribution (S80/S20)
Housing, Theory and Society

Poles Apart? A Comparative Study of Housing Policies and Outcomes in Portugal and Denmark

Sônia Alves

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Kemeny’s Thesis of Rental Housing Markets

• Seeks to explain the long-term structuration of rental markets

• Rental housing systems are divided into two types:
  • dualist - profit-rental market and residual public poor housing sector
  • unitary/integrated - not-for-profit integrated into the market
The state of housing in the EU 2015

<table>
<thead>
<tr>
<th></th>
<th>Owner occupied</th>
<th>Private rent (rent at market price)</th>
<th>Social rent</th>
<th>Other</th>
<th>Nr dwellings per 1000 inhabitants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td>40</td>
<td>22</td>
<td>19</td>
<td>19</td>
<td>480</td>
</tr>
<tr>
<td>Germany</td>
<td>45,4</td>
<td>50,4</td>
<td>4,2</td>
<td></td>
<td>506</td>
</tr>
<tr>
<td>Denmark</td>
<td>51</td>
<td>49</td>
<td></td>
<td></td>
<td>491</td>
</tr>
<tr>
<td>Austria</td>
<td>51,6</td>
<td>28,3</td>
<td>20,1</td>
<td>3</td>
<td>555</td>
</tr>
<tr>
<td>France</td>
<td>57,7</td>
<td>21,9</td>
<td>17,4</td>
<td>1,2</td>
<td>473</td>
</tr>
<tr>
<td>Belgium</td>
<td>64,8</td>
<td>27,5</td>
<td>6,5</td>
<td></td>
<td>437</td>
</tr>
<tr>
<td>UK</td>
<td>64,2</td>
<td>17,6</td>
<td>18,2</td>
<td></td>
<td>429</td>
</tr>
<tr>
<td>Netherlands</td>
<td>60</td>
<td>7</td>
<td>33</td>
<td></td>
<td>429</td>
</tr>
<tr>
<td>Ireland</td>
<td>69,7</td>
<td>18,5</td>
<td>10,3</td>
<td>1,5</td>
<td>440</td>
</tr>
<tr>
<td>Portugal</td>
<td>73</td>
<td>18</td>
<td>2</td>
<td>7</td>
<td>556</td>
</tr>
<tr>
<td>Greece</td>
<td>73,2</td>
<td>21,7</td>
<td>5,1</td>
<td></td>
<td>590</td>
</tr>
<tr>
<td>Spain</td>
<td>78,9</td>
<td>13,5</td>
<td>2,4</td>
<td>5,1</td>
<td>538</td>
</tr>
<tr>
<td>Romania</td>
<td>98</td>
<td>0</td>
<td>1,5</td>
<td>0,3</td>
<td>425</td>
</tr>
</tbody>
</table>

Elastic housing supply response does not necessarily resolve affordability issues.
The role of housing within the welfare state

• In most countries, housing is largely driven by economic factors....
• .... but is mediated by political regulation (e.g. private renting, social housing, non-profit)
• ideologies translate into housing policies and strategies, shaping dominant forms of tenure
Rental housing systems are divided into two types

<table>
<thead>
<tr>
<th>Integrated rental systems</th>
<th>Dualist rental system</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporatist / social democratic</td>
<td>Conservative / liberal</td>
</tr>
<tr>
<td>Long-term state investment in the non-profit rental sector, for the provision of good quality rented housing, at cost prices and accessible for all (alliance with non-profit housing associations)</td>
<td>Governments support a residual model of social housing reserved for the poorest segments of the population and a home purchase market (alliance with banks)</td>
</tr>
<tr>
<td>Non-profit and for-profit rental markets are balanced in terms of size, rent levels, housing quality and tenants composition</td>
<td>Owner-occupancy is the dominant mode of tenure, the rental sector is minor, and the private and the social rental markets are separated.</td>
</tr>
</tbody>
</table>
Ideal-types of planning regimes

Legal and administrative structures within which planning operates:
• regulatory planning systems that use zoning to classify and qualify the permissibility of land uses
• discretionary systems in which plans only have an indicative force

A wider set of criteria:
• the scope of the systems in terms of policy topics covered
• the distribution of powers among levels of government
• how well it is established the activity of planning
• ...
Ideal-types of planning & features of the systems

The urbanism ideal type - Portugal
- Narrow scope of purpose when regulating land-use transformation
- Weak regulation that favors urban sprawl, construction of illegal settlements, and social and spatial segregation

The land-use ideal type England
- Focus on development control, use of tools to reduce government spending
  - e.g. planning obligations for the provision of social and affordable housing, contributing to sustainable communities

The comprehensive integrated ideal type
- A decentralised planning system concerned with the integration of policies
  - Site-by-site negotiations with planning agreements to secure the provision of affordable land for non-profit housing associations
Delivering affordable housing through the planning system: challenges and good practice

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Final remarks

• Ideology plays a crucial role in explaining the differences between welfare, housing and planning policy and outcomes
• Housing markets are shaped by housing policies, and by practices of land-use planning
• International comparative analysis of policies helps us to advance our understanding of the relationship between these variables across different geographical units.
What next in terms of research?

• to examine how theoretical ideas of urban planning and the housing market play out in practice
• specifically, in the context of the PLANning for AFFordable Housing (PLANAFFHO) project, to examine how land-use planning has contributed to the provision of affordable housing for low-income people within new developments in Copenhagen, Lisbon and London
www.cchpr.landecon.cam.ac.uk

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