

Europe and Housing Policies. Changes underway ¹

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Abstract: The article reflects upon the changes in housing policies in Europe in the context of the globalisation process and sociocultural transformations in present society. These changes translate into the withdrawing of the state from public housing direct provision, the decentralisation of lodging allocation and its responsables, the engagement of new partners, and a critic of the consequences resulting from the previous paradigm focused on massive social housing construction. Today, in European countries, housing policies seem to constitute a complex assemblage of programs responding to different publics and resorting to numerous financing sources. This wide range of programs tries to respond to a gamut of social profiles either of deprived people or middle class people in need of support. It can be said that the construction of new social housing is part of these policies; it is not, however, the most significant one. While still maintaining its importance, it has become more experimental and carefully devised. Public intervention in housing has become more indirect, showing a sharp decrease on housing direct provision. Simultaneously, there is a profuse legislative production complexifying housing policy given that it involves more and differentiated partners and encourages a private market orientation based on the negotiation of compensations and alternatives incorporating social deprived groups.

Key-words: Housing policy; Social Housing; Housing

European policies and housing dynamics in the beginning of the Millennium

The significant changes in today's society, encompassing individuals, organisations, the State and the economy, could not but have effects on a wide range of social policies, particularly on housing policies.

Housing public policies have varied substantially according to economic, social, demographic and urban changes as well as in response to new expectations and wishes from individuals. In the European context, albeit the maintenance of general aims of housing policies (e.g.,

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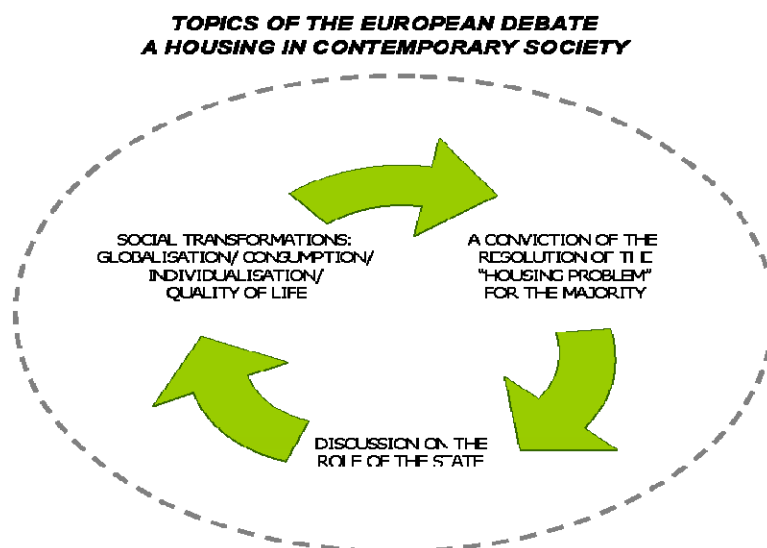
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affordable and proper accommodation for each family), the means to attain it have, over the course of time, significantly changed.

The generalization of an economic model orchestrated by the market has once more placed in question the views regarding the role and suitability of the State in regulating economy and society, particularly in terms of the protection of vulnerable communities, therefore compelling to revise the array of traditional mechanisms for public intervention.

Three key interrelated ideas cross-cut today's European debate on Housing:

- The evidence that major social transformations, namely globalization and socio-demographic changes, have greatly impacted on housing policies, whether at the supply side or the demand one;
- The believe sustained by a great number of western experts and policy makers according to what the majority of housing problems have been solved, particularly regarding the usually termed "quantitative scarcity"
- The predominant idea according to which the State should no longer play a role in the direct production of housing within the frame of a more strategic vision regarding city planning, one which endorses a radical critic on the previous generation of city policies.



Current transformations and the Housing question.

The debates on the future urban life are deeply focused in the attempt to understand the coming society which first signs are already quite visible (Castells, Sassen, Ascher e outros). Globalization and other changes brought by late modernity are always present when lodging questions are considered. The increasing mobility, socio-demographic changes, lifestyles diversification reorganising the relation of urban people with time and space - among which are complex identity transformations related to individualisation processes -, are the basis of striking demographic, social and cultural transformations.

Ray Forrest e James Lee (2003) have proposed three specific dimensions of globalisation relevant for analysing changes in housing dynamics.

Firstly, the fact that the political discourse on the housing issue has been globalised and have seemingly reached a vast consensus rests, to a large extent, on the emergence and growing importance of globalised institutions such as the World Bank and the European Union, among others. These institutions have played a relevant role in disseminating information, ideas and political discourses which have chiefly organised problematics regarding, for example, the need to privatise the public stock or a shifting of perspective replacing the focus on material aspects for one that considers crucial the aid to families. One of the consequences is the fast uniformisation of discourses and of the logics of public intervention policies.

Clearly, the dissemination of political ideas and the language that sustains it is far from just being produced by international institutions – which, at any rate, national diversity would prevent. However, since this discourse has become dominant it ends up by being disseminated as “recommendation”, even if it isn’t. In this case, an unpreoccupied language concerning housing problems, considering them as mainly local, as well as the increasing role played by the market leads, in an uncritical way, to assume a secondary role of the state without taking into account who actually wins and loses in the re-framing of housing problems. In the Portuguese situation, where the debate on the “housing crisis” is downplayed, this state of affairs is clearly perceived.

Secondly, one should take into account the insecurity and risk driven by globalization and impinging on national markets, especially on the housing market. Experts on contemporary

societies such as Beck (1992) and Castells (1996) have called the attention to the unlikely continuity of the long-term world economic cycles claiming that uncertainty and insecurity will be the pattern in the world markets with heightened impacts on national markets. While these uncertainties are related with the production of goods and services, they are also strongly associated with job market instability, thus with families' incomes, with clear consequences for the housing market. It goes without saying that the best conditions for the real-state market are found in periods of economic growth associated to the increasing of returns and savings, job security and controlled inflation. This was the prevailing situation in the three decades after World War II, which has but fade way in our current situation.

The third major impact on housing driven by globalization rests on the decreasing importance of States regarding global financial flows, being this perhaps the most ambiguous global process. In fact, the changes and instability of the financial system as well as the role that the public sphere plays on its stabilisation (national or international)² may have a considerable impact on macroeconomics. For example, decades-long of channelling investment to families and business has thrust the number of house owners. Despite controversies regarding public policies impact on housing prices, it is generally recognised that a reduction on housing loans by the State brings strenuous effects onto the absorption of the available housing stocks.

However, it is not only macroeconomic transformations that impact on the housing market. In a recent debate on "street and Office", Sennet, following Castells or Choay, argues that reflexive capitalism coupled with a striking transformation of identities and the time-space dimension has a strong impact in terms of the waning of local-based identities, in its turn fostering a cosmopolitan identity based on flows and mobilities. Local dimension and "home" are part of complex and interdependent meanings that were in the past spatially rooted, but have become today increasingly fluid, changeable and volatile.

This discourse on increasing mobilities, cosmopolitan identities and the abode, seems to emerge in striking contrast with the recognition that for the most part everyday practices are basically "local". Evidence shows almost unanimously that local rootedness – particularly due

² Notably the numerous accusations impending on the European Central Bank for the increase in the objective interest rates which aimed at stabilise the German economy, yet yield critical consequences on housing markets and household economies.

to house ownership – is a pervasive dimension and appears to be linked to a revival of material, affective and symbolic investment on dwelling which is clearly evinced by most European findings. Furthermore, and equally contrasting, housing market have remained largely local regarding renting and owning and have required a local knowledge - whether in financial terms or relational ones – of housing and real-state agents to figure out its workings and to attain access to it in the best conditions possible.

These are, however, contradictory, controversial and largely unknown signs which underlie the importance of an in-depth understanding of the role played by the abode in the construction of the individual and family identity that will enable the understanding of the various housing dynamics be they private or public.

The proposals from the “New Urbanism”, “Sustainable Urbanism” or the urban design models “*smart growth*” are already responses to such changes, combining modernisation and new proposals regarding the relation between lodging and the city.

Most authors present as main features of the globalisation impact on housing dynamics the following:

- Increasing competitiveness between business (corporations) and regions.
- Increasing insecurity in the housing construction sector accompanied by cyclical crisis and the growing socio-spatial fragmentation of the urban zones derived from inflationist pressures on the housing market.
- Increasing mobility of capital and work coupled with foreign investment channeled into construction companies.
- *Terciarisation* of the City centre, pushing the dwelling function towards the periphery
- Households’ incomes instability simultaneously with cultural transformations among which the strengthening of the individualisation process.

Despite the enormous impact of such transformations, the supposedly inevitable effect of the globalisation process and the believe on a less extensive public intervention have hampered the

debate on “*the housing issues*” and hand it over to market-related academic and business experts.

Housing dynamics and socio-demographic changes

Many of Modernity’s transformations cannot be imputed to mere economic globalisation tendencies, being instead linked to profound changes in cultural habits and ways of living which causes, interaction and impact are so far difficult to understand. Among the key transformations on the housing dynamics the following are generally referred:

- Demographic alterations – are related with the transformation of families, reflecting the decreasing of the number of family members, the steady aging of the households and the increasing number of people living alone, etc.
- Cultural and living ways modifications: they are primarily related with divorce and diversified coexistence and mating forms which call forth for another types of accommodation and facilities; localisation demands, etc.
- The presence of economic migrants with variegated composition, but in constant mutation displaying its particular features in patterns of housing appropriation.

Briefly, one could say that the key demographic transformations – whereas these brings forth a great many consequences, driven and only understandable by complex structural changes – are the decline of birth rates and the augmenting of life expectancy. These transformations are widely recognised in scientific literature and their scope is such that the rendition of such a shift in paradigm is normally called “demographic transition”.

The first demographic transition was characterised by the increase in longevity, whereas the population was still growing and high birth rates were the pattern. In the second demographic transition the decline of fertility rates is accompanied by new mobility dynamics between countries and, particularly, by the diversity of families’ organisation derived from its reducing dimension and sociocultural phenomena, namely the increase in divorces, new mating types and changes on the composition of the nuclear family, etc. While these are not just objective

transformations, they comprehend identity, cultural and living ways' deep mutations.

Therefore, whether we considered more objective changes, like the population growth or decrease, or more cultural ones, both having a bearing on the dimension and types of housing demand, all these transformations impact on the functioning of the housing market. According to Forrest "Divorce, separation and remarriage produce new patterns of household fission and predictable housing needs over the life course, and expansions and contractions of space requirements" (p.111).

These cultural and social changes translate into a bigger diversity of family types and needs, at the same time, diversifying these same needs over the life course, that today seem largely incompatible with the unchanging conditions that could be observed in the last decades. Nowadays, it is hard to approach housing dynamics from the demand side without taking into consideration a multicultural, complex, mind-set regarding the current housing needs and its adequacy to the dwellers social profile, the alteration of people and families' needs over their life course, particularly taking account of their aging process.

Job market dynamic and mobility

Hence, the economic and housing market instability associated to job market instability heavily impacts on families' savings and earnings, posing the question if the new generations will see their access to housing and affordability as facilitated as their parents generation with all the market and state support typical of the period after the Second World War.

In effect, access to real-state coincided with a period of intensified growth of the stock and public investment in housing. Yet, this situation is no longer the same, inasmuch the public investment significantly declined in terms of the promotion of housing affordability – especially in EU countries due to the well known budget control collectively assumed by these countries – has been in place for almost one decade.

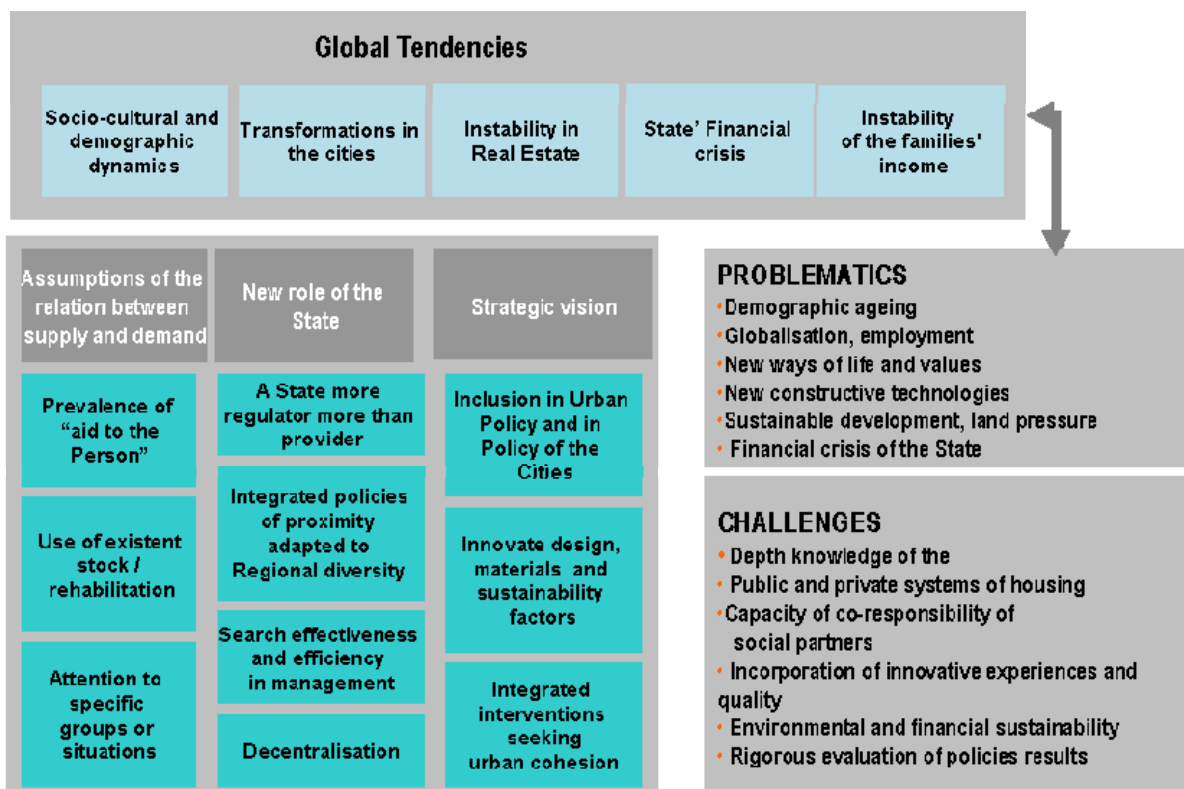
Nevertheless, the economical boom period has brought an increase in social mobility to a sizable share of the population which were able to assure their housing through the market and a concrete living standard's betterment ensuing from a steady economic growth pace, that

nowadays seems not to be reachable anymore by their descendants.

The transformations in the job market structure and in the employment situation were high on the agenda of the “housing question”, whether by virtue of income instability or the job market features, such as the increasing mobility demanded by it.

Job market instability might induce a trend towards housing ownership, that in its turn contributes to a lessen of population’s mobility due to housing fixation, thus producing unintended consequences regarding job opportunities. A great many inquires conducted among unemployment population in small country-side cities have clearly shown that housing ownership – as well as affordability in another location – hampers job seeking in a wider geographical area.

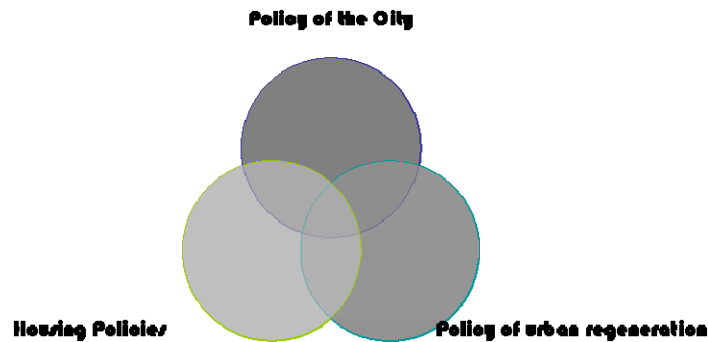
Traces of new paradigm in housing policies.. .



Housing policy and Policy of the city

The increasing pace of economic, social and cultural transformations, among others, has significantly broadened the scope of views on housing policies, implying that these should be equated within rather more strategical view on cities. Difficulties in bringing about a balanced structuration of the city, the articulation between the various urban areas, the emergence of run-down areas, the problematic of the so called “problem zones”, etc, led to a rethinking of the city policies and its relation with housing equity. Today, many authors argue that housing policies should be incorporated into a broader and strategical thinking within the *Policies of the City*, since the former are a part of the latter, coupled with urban renewal and requalification policies.

There are several reasons to incorporate housing policies unto the *Policies of the City*. On the one hand, there is a renewed interest for long-term spatial strategies, perhaps due to the dissemination of the *European Spatial Development Framework* issued by the EU. This document is, to a great extent, the outcome of the European strategy to utilize the structural funds at city-level for the next decade. In the document one can find a critic to the current urban planning model, which is said to envisage only the short-term, and to be mainly reactive and dominated by particular interests. Contrariwise, the EU strategy to the next decade seems to point in the direction of a long-run spatial strategy where the dwellers’ needs and the infrastructural investments can be timely equated and known by the great many actors that will either participate in its building or are going to utilise them.



Articulation between the *Policies of the City* and Housing and Urban renewal policies.

A long-term perspective would allow a better matching between the various urban functions, combining the capacity to anticipate satisfactorily accommodation needs as well as employment and facilities ones (Bramley et al. 2001). The capacity of prospective prediction would also permit a balance between housing demand and supply at the same time countervailing the excess (or scarcity) of the supply, keeping balanced levels of the urban soil whether for the short-term (5 to 7 years) or the long-term (7-15 years) taking into account the permanent changing demographic dynamics.

Another aspect of the articulation between housing policies and the *Policies of the City* derives from the fact that a significant share of public intervention in housing comes from urban interventions. Indeed, a sizable share of the housing supply for social deprived groups has resulted from fiscal measures or as a compensation in the allotment process, in urban construction or renewal, strenghtening the involvement of private agents ³.

³ This mutual accountability game is not always transparent and has been in the core of the infringement of the established urbanisation plans.

Another important connection derives from vindicating a multicultural city. This only comes about when the insertion of the deprived groups is made bearing in mind the totality of the urban tissue and not in a segregated way, thus relegating these groups to excluded spaces. The intelligent city (*smart city*) is above all a “mixed city”; a city where not only the urban functions are integrated in a more harmonised form – with special relevance for the relation between housing, job and leisure -, as the different social groups do have conditions for an wholesome interaction.

Besides, a critical stand towards functionalism permeating the perspectives and action over the city is held. Instead, one finds a more integrated reasoning which takes into account the interplay between accommodation, employment, transports, and so on, according to a sustainable and integrated development rational.

Such proposals imply a significant shift from traditional approaches; those related to the urban growing conception or planning, that insisted in the separation of the urban functions expecting these to be facilitated by the new work forms and information technologies. Contradicting these approaches, the aim is now to reinvent the city, initiating new relations between the work place and the living place, regaining the proximity of interaction of urban life in public places, asserting a new living quality and, above all, replacing the car for walking and biking when commuting.

The current debate on the limits of urban growing is intrinsically related with the housing problem, in this case, mainly private. The relevant set of ideas associated to the expression “smart urban growth” can be briefly enunciated. These are the curbing of an extensive urban growth consuming too much resources and negatively impacting on the environment, particularly due to the individual means of transportation, which creates a more compact city. In this sense, urbanism and housing are simultaneously considered, in spite of the diversity of territorial and economic logics pertaining to each of these spheres of action.

The sensible intentions underlying the articulation between housing policies and Policies of the City do not present only positive features. The rationals of both interventions may not necessarily coincide and can even produce unintended consequences. The most often noted refers to the impact of urban planning in housing costs and allocation, being this a

controversial issue where many researches have proved inconclusive. It is perhaps in the UK that one can find the most systematic studies on the impact of the control of the available urban soil over the housing costs and dynamics. Controlling for the allocation of urban land cuts down the number of accommodations that can be built, and this, in turn, will lead to a potential increase in housing prices. And though a stronger impact is foreseen in the case of new lodgements, market interdependence will tend to exert its pressure on the prices of other types of lodging as well.

However, it is worth noting that urban planning do not only affect the available land for housing construction, since it has also an effect, in general a positive one, on the environment quality in the surroundings and on the efficaciousness of the urban infrastructures where lodgements are incorporated.

At this level, one can consider that the key juncture points between housing policies and *Policies of the City* are organised according to the follow presuppositions:

- There is a renewed interest for long-term spatial strategies, rather than one-off, reactive, short-term actions. Long-term planning allows not only for the anticipation of housing needs, but also of employment and various facilities. Additionally, it permits to scrutinise the balance between housing supply and demand taking into account the response to excess supply.
- The intelligent city is, by and large, a “mixed city”; a city where the urban functions are harmonically integrated, particularly regarding the relation between dwelling, employment and leisure. Moreover, at the regional level, urban planning is cast in a new light, inasmuch as it enables to managing and predict more adequately the various infrastructures in a logic of sustainable development, namely lodging, employment, transports, among others. One needs, nevertheless, to reckon that local planning has been more suitable in promoting economic entrepreneurship than promoting housing, namely public housing.
- The sharing of responsibilities between public and private sectors has been brought to equate not only competences, but also the fundings that allow housing co-funding. A relevant share of housing supply targeting deprived groups is incorporated in a set of

compensations, such as allotment, tax exemptions and other financial support. Hence, it is indispensable to make transparent this negotiation game.

- Promote what in the American parlance is called “smart urban growth” implies, to a large extent, the containment of urban extensive growing, deemed to utilise too many resources and having as a consequence a negative impact on the environment, namely due to massive use of individual transportation. The goal seems to be to restore a bigger city density and generate the “compact city”. With this in mind, public housing supply has been utilised to fill in some urban gaps.

Housing policies and the European debate

As above-mentioned, the quantitative needs of lodging are considered, by most European countries, to be a thing of the past and housing policies are currently envisaged as responses to specific social groups’ demands, rather than comprehensive strategies of access to accommodation. The main concerns have been focused on urban renewal and, depending on the acuteness, to attempts at stabilising the currently volatile private housing markets.

The academic debate in its turn focus on the problematic of diversity, of choosing and of multicultural coexistence, leaving aside deprivation and urban poverty discourses.

Both are in agreement in criticising the expansionist policies from the sixties and the seventies, particularly the social and urbanistic impacts produced by the concentration of homogeneous populations in big urban compounds. The “politiques de la ville” are fundamentally viewed as intervention policies within the so called “problem urban areas”. Such perspective stands closer to urban development social policies than to housing policies.

The European Union has not strived to harmonise Housing Policy so far; one which member states bear responsibility for its implementation, albeit having produced some material on the issue and launched a number of programs⁴. Whilst the EU does not have a specific and

4 For example the recent European Charter on Housing, from 26.4.2006 issued by the URBAN-Housing Intergroup.

encompassing lodging policy for the city, it has, notwithstanding, shown a preoccupation with some run-down areas. Such attention has been translated into various initiatives comprehending, for instance, the launching of specific urban intervention programs. In this context, two programs were launched based on Commission initiative (CI), namely the Urban programs. The Urban I program spanned from 1994 and 2000 and the Urban II program begun in 2001 and finished in 2006; currently is the program Urban AUDIT underway which aims at monitoring the quality of life in European cities.

Although housing has been relatively downplayed, official EU documents often raise the issue of the increasing geographic marginality of populations and urban areas alike. Indeed, it has called attention to a phenomenon that has become increasingly publicly visible, which is most of the times interlinked with shortcomings in social inclusion and the full enjoyment of citizenship.

But the actual consequences of these transformations are quite troublesome; and the balance between demand and supply falls short of being perfect:

- Sharp price increase of renting and selling, mainly in areas with better accessibility⁵ ;
- Low-quality construction as a mean to lodge less prosperous groups, instead of adequate lodging conditions;
- Excluding populations from affordable accommodation, even if the former are integrated in the job market;
- Exclusion of specific groups and/or inadequate response to their needs, e.g, people with disabilities, old people, among others;
- Discrimination in accessing housing together with the prevalence of striking spacial segregation.

⁵ Claire Roumet in the URBAN-Housing Intergroup meeting held on the 29th September 2005 at the European Parliament in Strasbourg referred that three European countries have experienced housing prices inflation over 10% in 2004: Spain, France and Ireland. Additionally, a great many number of European countries experienced inflation over 5% and 8%, despite increases in incomes being substantial lower. (urbanlogt_291005.pdf)

Public intervention in housing

The public concern regarding those families which are unable to access the housing private market has been one of the cornerstones of housing policy. Despite the range of housing dynamics and public intervention modalities, one can pin-point diverse stages in devising this public goal.

In a first stage, almost all countries were concerned with the massive building of housings, in this way sustaining the post-war reconstruction effort and, subsequently, thrusting the economic growth effort and the city inflows which the production peak yield. By the end of the seventies, most European countries had excessive housing supply and scant housing demand. Therefore, public intervention at the level of the existing housing stock prevailed, either in the private or in the public market. The state supported both tenants and landlords in the housing regeneration, at the same time making an effort to rehabilitate its own housing stock. In a significant part of the European countries in the last decades a special emphasis was placed on restructuring the social housing stock, whether it was owned by the state or by non-profit organisations.

In a third stage, in which we are now, the emphasis on the privatisation of the public housing stock and the transference of competences to private agents is kept and heightened, implying a share of responsibilities - basically through negotiation and trade-off with private agents - regarding housing supply to poorer populations. (Boelhouwer and van der Heijden 1992).

Trends in public policies in some European countries between 1990 and 2000

	Housing Investment	Investment in property of the occupants	Investment in new Housing
Belgium	+	+	-
Denmark	-	+	+
Germany	-	=	+
Greece	=	+	=
Spain	-	+	=
France	+	+	-
Ireland	0	+	+
Italy	-	+	+
Luxemburg	+	+	-
The Netherlands	-	0	=
Austria	-	?	+
Portugal	+	+	0
Finland	-	=	-
Sweden	-	-	0
United Kingdom	-	-	+

Note: 0 – means without significant changes

Source: European Central Bank, Structural Factors in the EU Housing Markets, 2003

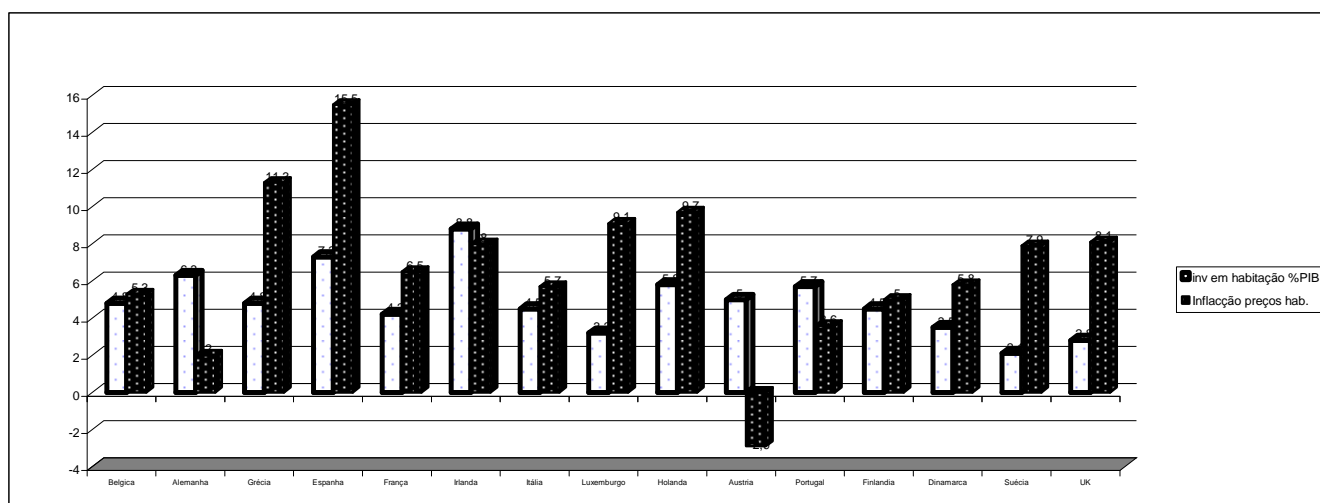
Diversity of enacting modes of social housing policy across Europe

Direct state intervention in producing and managing social rental housing has had a number of subtleties and has followed different rationals. This is attested by the number of situations that one can find across Europe which vary according to: a) the quantity of available houses; b) the definition of the target groups to be contemplated; c) the forms of accessing housing ownership or rental); and finally, d) the entities responsible for its implementation and managing.

Back in the nineties, the discussion between academics stressed the paths to bring European countries closer regarding social policies implementation, including housing, and the

socioeconomic impact of such policies. Today, an usual starting point for public policy analysis, namely housing policy, is Esping-Andersen's typology. According to this typology, an array of welfare regimes can be identified ranging from liberal, social-democratic and corporative models, to which it was later added the Mediterranean countries' specific situation.

Investment in Housing by percentage of the GDP and Housing prices inflation (nominal) 2001



Source: Bulletin of Housing Statistics for Europe and Nord America, 2006, UE Europe

Barlow and Duncan (1994) have related this typology to different levels of housing construction highlighting the importance of housing supply, but also the speculative bent which prevailed in the first group of countries.

While the reasons for public involvement in social rental housing production and its modalities vary according to the different European countries, it is also true that the national economies where these policies were implemented have tend to converge in the last 30 years (Ray Forrest and James Lee Routledge, 2003). One of the fundamental commonalities has been the undeniable trend to curtail public investment in social housing ensuing from state budget control which was extended to all countries within the European space.

Simultaneously, housing prices have significantly risen at the end of the last century, owing to a vigorous increase in urban concentration, among other factors. Today, the biggest concern

has shifted from the production of new housing towards affordability, specially how vulnerable groups, affected by the employment market and economic downturn, can gain access to quality housing. By the same token, issues such as inclusion, standard of living and a wider definition of neighborhood have been brought to the fore.

Forrest and Lee raise the issue of an existing convergence in housing policies and the likelihood of setting benchmarks regarding how these policies are implemented across Europe. The authors claim that there is convergence on at least three different domains: i) decrease in direct housing provision; ii) decrease in comprehensive intervention; (iii) change in the mechanisms and processes of policy implementation, which were gradually decentralised and assign to the municipalities and at the same time witnessed a stronger role played by private and semi-private partners in housing provision.

According to the authors, the common principles conducting the economy have actually influenced the convergence of housing policies. Yet, today we all ask ourselves the same question – will there be a place for social housing in post-industrial societies?

From the right to housing to market balance

Acknowledging that deep social transformations have effected profoundly into housing dynamics and their interplay with changes in the socio-cultural sphere, ways of living and the role of the state is going to be paramount in the new European “paradigm” regarding housing dynamics and modes of policy implementation. Social changes – encompassing the subjects, economic and state organisations – could not but impact upon the overall social policies, and particularly, upon housing policies.

Socioeconomic and political systems transformations exert a tremendous influence on actions and perspectives regarding public intervention in terms of lodging and the strategies of the various social partners. By and large, the way housing dynamics has been addressed has shifted from the debate on the right to housing into a debate focused on the supply and demand balance.

From the Service-provision State to the Regulatory State

As stressed before, public housing policies have undergone a striking change following economic, socio-demographic and urban transformations which impinged directly upon subjects' expectations and wishes. Although the basic objectives of a housing policy were kept (e.g. an affordable, dignified dwelling for each household) – the means to carry it through were radically modified. Families expect more from the govern and its housing policies; conversely they are more sceptical regarding state capacity to deliver efficient quality services.

The general claim according to what the State should be the responsible for social regulation and for the defence of equity and sustainability principles, does not prevent different options regarding public intervention in housing or the partners to be engaged.

According to Glen Bramley, Moira Munro and Hal Pawson (2003), it is possible to identify a number of commonalities across countries within the diversity of policies:

- A decrease of the role of the state in direct social housing provision. Instead, state intervention has been kept through indirect measures (e.g., legislative, fiscal and urbanistic)
- A shift in the logic of state intervention towards a family-oriented approach, rather than supplying new housing in big urban complexes;
- Bigger attention paid to private housing market dynamics, costs and resources;
- To draw upon the participation of the social partners to solve housing shortages and shortcomings, be it in provision or managing.

In the European context, most social partners agree that today, more than new housing provision, the fundamental function of the state is to support the access to housing by people undergoing hardships and unable to reach the private market; concomitantly, it should attend to the needs and profitability of the public housing stock, legacy of the previous public intervention paradigm.

In the field of housing policies, the state shifts from the role of agent guarantying direct

housing provision to a mere regulatory and subsidiary one. In fact, one can ascertain a pronounced trend toward decreasing state involvement in housing provision, with the reinforcing of different modalities of state support entailing the devising of new mechanisms for state intervention, namely, through the *Policy of the City* or granting fiscal benefits and direct finance incentives to various agents.

These new public functions are increasingly held by partnership systems comprising municipalities, private entities, including the cooperative sector, mostly valuing:

- The support to a balanced and adjusted housing market functioning;
- Private market orientation towards housing policies, specially through the negotiation of compensations that allow deprived groups to access the market;
- Supply policies oriented to housing stock renewal engaging the target groups;
- Prevalence of “individual support” through subsidising housing access;
- Public support targeting specific deprived groups needing aid (e.g., disabled people, low income families, groups facing temporary circumstances);
- Managing more effectively the public housing stock, either that that is already in place or still in construction;
- Interventions designed according to the “Urban social development” model applied to the excluded neighborhoods;
- Development of an urban planning more articulated with the socio-demographic dynamics and dwelling conditions, hence with social policies and the policy of the city.

Generally speaking, public opinion seems to believe that a sustainable housing policy is premised in lessen the support to social housing construction redirecting it to aiding people to access the private market in this way ensuring the balance between housing supply and demand via mechanisms to support indebted families. However, whether it is in redefining the scope of social responsibilities or in raking estimated investment this shifting of perspective is not free from contradictions.

Clearly, the recent economic developments and the constraints of public budget balance do influence political decisions. However, there is also a common held belief, within the public and even among members of government, that private market manages to offer a better provision at lower costs. This belief in the market owes not only to a sort of economic “realism” but to the confirmation that the market was more efficient in fuelling choice for potential home-buyers and grant citizens more control of the market, namely in terms of geographical and residential mobility, in diversifying and innovating the supply; not to mention that it has proved more efficacious in managing the running and production costs.

Switching perspective is not easy for those that have years long endorsed the role of the Welfare State, believing that its interventions were guided by principles of equity and social fairness. Indeed, it is hard to accept that public management was, in general, inefficient, manipulative and has perpetuated some untenable rights in terms of comparative justice. It goes without saying, that has also upheld entrenched interests which have supported corruption favoring private or business interests.

To recognise the inefficacy and bureaucratic encumbrances in public intervention does not immediately translate into an uncritical view of the market and to the adherence to the minimal state thesis. A strong state is one that undertakes its regulation functions with efficiency and transparency, moving away from the unclear definition of competences between public and private market, not defrauding the users and stating clearly its priorities. Therefore, the various aspects of public investment have undergone a rethinking process; one that has gradually assumed that the advantage of public support lies in its capacity to regulate a complex society by way of holding to the principles of equity, sustainability and social justice, owing to clear definition of strategies – particularly the definition of its target public. Such strategies should convey priorities in resource allocation, prioritise levels of territorial equity, and define the competences of local, regional and central organisations. By the same token, it should differentiate between private and public spheres of actuation.

Is social housing still justified?

The evidence that the state has pulled back does not mean that there is no longer any direct public intervention in housing across Europe, especially because there remains a great many number of families that cannot afford housing in the private market.

According to the findings of a study of Forrest and Lee (2003), the state's role in social housing provision relies fundamentally on three factors:

- The scope of income disparities over-burdening the poorer strata of the population;
- State compliance with social inclusion in order to protect those at the bottom of social stratification;
- The relative efficiency in state regulation of the private housing market.

While the effects of ghettoisation are part of a commonplace critic addressed to massive social housing construction, the former is not generalised given that in many countries urbanistic mindfulness and social mixing have avoided negative effects. Even in countries where this critical tone is overarching, and one witnesses comprehensive requalification processes of these housing compounds, social housing construction was maintained incorporated in the range of housing policies still in place.

To be sure, one should not mistake social housing supply (new or used) for the massified housing compounds where this supply was often concentrated, or their geographic isolation or even the scantness of infrastructures and facilities which transformed these neighborhoods into a pile of towers far from being a site of urban revitalisation.

There is a number of reasons that justify the public supply of new dwellings. For example, the urgency of some situations or the unlocking of urban spaces in need of renovation. However, the main reason seems to lie in the endorsement of the potentially innovative and experimental impact of its operation upon the private market. Hence, more often than not, new housing bears the imprint of public intervention through a great variety of experimental dimensions, such as the architectonic design, the sustainable and innovative environment solutions, the deployment of new materials, and, regarding the social domain, the championing of social participation and

ethnic diversity.

In the last two decades, a significant part of the public investment in social housing in the European context has been spent trying to remedy the dreary effects of the big social housing blocks from the sixties and the seventies. Visible and well know social problems drag on and emerge from time to time before the public attention rendering apparent the rather sensitive situation of the youth from excluded neighborhoods.

France was a forerunner in urban social development intervention models. Through its implementation, decision makers came to realise that social housing problematic stands not only as a focus on the material building, but instead on peoples' needs, living standards, employment and income expectations; in sum, societal inclusion. Therefore, the *policies of the city* were mostly identified with the urban social development intervention rationals, where training, employment and culture – instead of facilities and buildings – were the core of urban regeneration programs.

These are innovative experiences, though many times contested because of their scant visible result. Moreover, in countries with more resources it led partially to the social housing stock abandonment. These are intervention processes which resort to partnerships; requesting a significant amount of public resources and, foremost, a concerted action between ministries with local institutions, always difficult to put in place in any considered country.

At the level of management of public housing stocks there is also a deep restructuring which aims at turning management processes more efficient and at the same time ensure social justice in the allocation of public housing and its profitability.

Today, in European countries, housing policies seem to constitute a complex assemblage of programs responding to different publics and resorting to numerous financing sources. In its turn, the wide range of programs tries to respond to a gamut of social profiles either of deprived people or middle class people in need of support. It can be said that the construction of new social housing is one of the strands; it is not, however, the most significant one. While still maintaining its importance, it has become more experimental and carefully devised.

In this sense, public intervention in housing has become more indirect, showing a sharp

decrease on housing direct provision. Simultaneously, there is a profuse legislative production complexifying housing policy given that it involves more and differentiated partners and encourages a private market orientation based on the negotiation of compensations.

Recognising that a shift in the intervention paradigm is indispensable has become unanimous. Ultimately, it implies an adjustment of the housing dynamics to market mechanisms and the decentralisation of public propriety management. *“This is not necessarily to say that these activities must be privatized, but rather from how the private sector system operates within a framework of well defined objectives, incentives and constraints. Most notably, competition and consumer choice are powerful motivators towards efficiency and the better use of resources to provide what households are prepared to pay for.”* (Whitehead, C.M.E, 2003, pp.63).

Conclusion: old questions, new answers?

It seems important to stress that housing is still one fundamental element for the community quality of live and one of the keystones of citizenship which endows each and every one of us to belong to a national community. Housing access, and its quality, are key elements in social justice, sustainability and peoples’ welfare revealing the degree of social cohesion or its division and fragmentation.

Furthermore, the conception that housing is not a factor that can actually be considered detached from a *policy of the city* which takes into account the external environment with its collective spaces and facilities, comes out strengthened. Meaning that housing is not only a need-based product for families, but also a society’s economic asset and a mean to link spaces, people and organisations with different and complex objectives and life courses. In addition, one should not forget that housing is also an essential economic asset, both to private initiative and the needs of the public budget; hence, it is a sector that reflects the economic and financial trends of a given society.

Housing policies were profoundly affected by societal changes caused by globalisation and by far-reaching cultural and demographic transformations in the past decade. Consequently, new

needs and challenges have emerged and need to be tackled. Despite a lack of evidence on the complex relations between these transformations and the new prospects for housing, it seems that decision makers and academics alike have reached a consensus regarding the inadequacy of the old solutions. Nowadays, at the level of massive social housing construction targeting particular vulnerable groups, it is questionable that there is such a clear-cut separation between private and public market, housing policies and the overall social policies, or even the continuously housing ownership promotion.

These transformations compel us to rethink our priorities in terms of housing policies; the institutions which were responsible for their implementation; the financial products and target groups. However, there are questions that have remained unanswered; particularly with regard to evidence that a sizable part of the European countries' population – namely in Southern Europe – still doesn't have their housing problem resolved. In this sense, maybe the questions posed by housing distribution have not changed that much; at least in countries with poor state intervention over the last century.

One needs to recognise that in the present European context featuring complex housing dynamics, it is unlikely that an all-encompassing strategy and model could be devised, tailored to every circumstances regardless its territorial context or its implementation period (*“not best at all times and under all situations”*).

Therefore, it is necessary to find strategies and models sufficiently comprehensive and flexible, able to take into account the action/circumstance principle underscored by Rayond Struyk nearly three decades ago, when trying to answer the question “Which housing policy is the best?”

“It depends. It depends on the priority that is given to objectives; on the housing market conditions at time of program's implementation; on family income trends; on the households increase; and on housing construction costs. There is no unique answer; in fact, it is likely that there is no unique answer for each metropolitan area”⁶

⁶ Rayond Struyk e outros, 1978, *Housing Policies for the Urban Poor: a Case of Local Diversity in Federal Programs*, *The Urban Institute Press*, Washington, cap. 6 in William C. Apgar, Jr., 2001, “Which Housing Policy is Best?”, in *Housing Policy Debate*, vol. 1, Issue 1, p. 6.

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