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Taking the Social out of Social Housing? Recent Developments, Current Tendencies, and Future Challenges to the Danish Social Housing Model

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Abstract

The Danish social housing sector is not actually a social housing sector in the sense that it supplies housing *only* to the socially deprived. Rather, the sector is open to everyone who puts their name on a waiting list. Applicants are not means-tested and the sector makes up 20% of housing in Denmark, thus providing housing for a substantial share of the Danish population. The sector has, however, increasingly come to be seen as solely for those who cannot afford other tenures, and in some social housing areas the majority of residents are indeed deprived. Regulation has been introduced in the last two decades to tackle this through a range of measures aimed at steering the resident composition of deprived social housing areas towards a broader social mix. However, these measures present a challenge to the principle of equal access to social housing, side-tracking the objective waiting list system, making it less transparent and more inequitable. There has been much debate about housing affordability for the lower middle classes in the major cities, although with limited focus on affordability for deprived citizens. Overall, those who lose out are those who already had the least choice in the housing market. This paper presents the development of the Danish social housing sector in the past two decades, discusses current tendencies in national and local planning regarding social housing, and points to future challenges for the sector. It is safe to say that the wobbliness of the pillar (Torgersen, 1987) is increasing and that an essential part of the welfare state is at risk of serving the wrong resident groups.

Keywords
social housing, affordability, segregation, physical interventions, housing allocation

Sammendrag

Den danske almene boligsektor er åben for alle, der skriver sig på venteliste. Der er dermed ikke tale om en egentlig social boligsektor. Sektorens boliger udgør 20 pct. af boligerne i Danmark, og en væsentlig del af den danske befolkning har således sit hjem her. Alligevel betragtes sektoren i stigende grad som værende rettet mod dem, der ikke har råd til andre boligformer. Samtidig er nogle almene boligområder i stigende grad blevet hjemsted for hovedsagelig dårligt stillede beboere. De seneste to årtier har man forsøgt at tackle dette ved hjælp af en række foranstaltninger, der har til formål at styre beboersammensætningen i dårligt stillede almene boligområder i retning af en mere blandet beboersammensætning. Disse foranstaltninger udfordrer imidlertid den lige adgang

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til almene boliger og tilsidesætter systemet med ventelister og gør det desuden mindre gennemsigtigt og mere ulige. Tiltag og diskussioner med henblik på at sikre billige boliger i de større byer fokuserer på boliger til den lavere middelklasse med begrænset opmærksomhed på boligmuligheder for de dårligst stillede borgere. Ved alle disse tiltag er taberne dem, der allerede har færrest valgmuligheder på boligmarkedet. Denne artikel præsenterer udviklingen af den danske almene boligsektor gennem de sidste to årtier, diskuterer aktuelle tendenser i national og lokal planlægning vedrørende almene boliger og peger på fremtidige udfordringer for sektoren. Artiklen viser, at boligen som en central søjle i velfærdssamfundet vakler, og at en væsentlig del af velfærdsstaten dermed risikerer at betjene de forkerte beboergrupper.

Nøkkelord
sosiale utleieboliger, 'affordability', segregasjon, fysiske intervensjoner, boligtildeling

Introduction

Across national contexts, social housing can be anything from non-existent or marginal to a key sector in the national housing market (Whitehead 2017). Denmark constitutes an example of the latter, with the sector providing housing for a substantial share of the population. The Danish social housing sector has been praised as a comparatively well-functioning sector (Blackwell & Bengtsson 2023) and thus an example to follow. However, in this paper, we claim that there are dark clouds looming on the horizon, some of which already limit housing opportunities for the most deprived citizens. This paper offers the international audience an insight into the potential consequences of political initiatives that may challenge key characteristics of the social housing sector: the provision of stable and adequate housing for all (Whitehead 2017).

The social housing sector provides housing for 17% of the Danish population. It is, neither by origin nor by actual use, a social housing sector. It is rather a non-profit sector that offers housing for everyone, regardless of financial situation, who wishes to put their name on the waiting list (Bengtsson & Jensen 2020). Waiting-list time varies quite widely depending on the popularity of the specific neighbourhood, but there are available empty units and these are not restricted to the least desirable locations. Applicants are not means-tested, either before they move in or subsequently. Rent subsidies are available to those of limited financial funds, e.g. low-income families, students and pensioners. Contracts are permanent and there are opportunities to move within a housing department via an internal waiting list, on which current residents have priority. When the large housing estates were built after the Second World War, it was thought that they would be inhabited by a broad section of the Danish population, from deprived residents to the middle classes, in line with the welfare state model of other Northern European countries (Whitehead 2017). However, even before the construction work was completed, the middle classes had begun to move to the suburbs. From the outset, the resident composition did not mirror original intentions. Nevertheless, the sector remains open to everyone who puts their name on the waiting list and housing is provided by non-profit organisations, regulated by the state but owned neither by the state nor the municipality (Skovgaard Nielsen & Haagerup 2017).

So why do we call it social housing? Firstly, because, in an international comparison this sector most closely resembles social housing sectors in other countries. Secondly, because the sector also provides housing for those who are unable to find housing themselves and houses the majority of those with limited options and finances for housing. Private rental housing, which could be considered an alternative for those who cannot afford to buy, is often either expensive (if built after 1991, which means no rent control), hard to get into (if built before 1992 and thus subject to rent control) or, in rural areas in particular, of very poor quality. Thirdly, because over the years the sector has become increasingly marginalised (Blackwell & Bengtsson 2023), making the sector more like a social housing sector

than it was originally and ideologically planned to be. As Whitehead writes on the development in Northern Europe from the 1970s onwards,

> while formal allocation rules often were not changed, opportunities to access other tenures increased rapidly, so in all Northern European countries, including those which had stressed universality, allocations shifted rapidly towards vulnerable and non-participant households as well as migrants unable to access market housing (2017:15).

This can be seen as one of the reasons for the political initiatives described and discussed below that have shaped the sector.

In a recent paper, Blackwell & Bengtsson (2023) conclude that the Danish social housing sector is more resilient than corresponding sectors in Sweden and the UK. They attribute this to the sector's institutionally decentralised, multi-layered structure and its associated independence from central government control. While we agree with their general analysis of the Danish social housing sector, we find that there are development tendencies that point towards a less optimistic future – largely due to increased central government interference in the sector. This paper presents the development of the Danish social housing sector in the past two decades, discusses current tendencies in national and local planning and points to future challenges for the sector, thus providing an answer to the research questions: "What are the key policy developments affecting low-income groups in the Danish social housing sector, and what can they tell us about the sector's future?" Ultimately this leads to a discussion of who the sector should be for. Our discourse is based on a presentation and discussion of five key development tendencies in the Danish social housing sector in the last 10–15 years. The paper discusses the future of the sector and argues that there is a need to protect the sector's many strengths in the face of the challenges it currently faces. As a starting point, the paper establishes a theoretical context that sets the scene for social housing anno 2023. This is followed by a brief method description.

Theoretical framing

Every society has certain institutions, the purpose of which is to regulate the activities of the population and ensure a relatively stable framework for life. Esping-Andersen (1990) provided a ground-breaking understanding of the welfare state and the relationship between state and society. In particular, the importance of the growing 'decommodification' of basic services was a milestone in understanding modern society and its development. His division of the capitalist welfare model into the social democratic, the corporatist and the liberal model provided an explanation for obvious differences between Western states and their welfare models. His work was mainly about labour, education, health, and pensions – not about housing.

Housing researchers have extensively discussed the relationship between welfare regime and housing provision, including its institutional organisation. Authors such as Nesslein (1988), Stephens & Fitzpatrick (2007) and Ruonavaara (2006) focus on the impact of the institutional framework on housing and, in particular, social housing. In Western European countries, market-controlled forms of housing dominate – be they owner-occupied or private rental housing – although, in most cases, supplemented by a non-market-controlled form, often referred to as social or public housing (Harloe, 1995).

The market-controlled housing sector drove tremendous growth in housing stock through industrialisation, concentrating the population in cities. The result was far too

many, far too densely-built districts (slums) with inferior (small and poor) housing units (Boughton, 2018; Hall, 1992). The institutions of the housing market provided neither the quality nor the quantity of housing needed by large parts of the population. Regulations and new institutions were needed. Some countries, such as the UK and the Netherlands, introduced municipal leasehold as a way of moderating housing prices. However, this was effective only in the very long term. Meanwhile, the acute housing shortage grew in the early decades of the twentieth century. More direct intervention was required. Northern and Western European countries developed new institutional frameworks for the housing market around the outbreak of the First World War as both national and local governments were forced to take responsibility. This led to the introduction and growth of social housing.

Despite a common background, social housing is organised differently across Europe. Consequently, establishing a common definition of social housing proved difficult. Ruonavaara proposes a useful suggestion, defining social housing as housing that

> is allocated not only by demand and supply, but by bureaucratically established rules that favour applicants in pressing housing need and modest means, and is priced by bureaucratically established rules aiming to provide housing on a lower price level than in the market (2017: 9).

In general, social housing is considered an essential element of the welfare state (Esping-Andersen, 1990), provided by local government, national government or non-profit housing associations. The development of social housing generally involves subsidies to keep rents below market levels.

The post-war housing shortage was overcome in the 1970s through large-scale support for housing construction (both social housing and owner-occupied housing) in most European countries (Whitehead, 2017). Throughout the 1970s, a balance was gradually achieved between housing market supply and demand. Simultaneously, the social housing sector's clientele changed. From seeing its residences primarily occupied by the families of blue- and white-collar workers, the sector became increasingly dominated by non-working citizens, including pensioners and social clients, as well as immigrants. This created challenges associated with segregation. Consequently, some countries stopped building social housing or reduced the sector. This applied, for example, to the UK, the Netherlands and Sweden. In Denmark, the sector continued to expand, albeit at a slower pace. Privatisation was most pronounced in the UK via the "Right to Buy" scheme, which reduced British council housing by around two million units (Murie, 2016). Swedish social housing ("Almännyttan") grew in numbers until 1995, after which time political changes reduced the sector via sales by 20%. The Netherlands sold off approximately 400,000 social units in the period 1995–2020 (Housing Europe Observatory, 2021). This trend led Thorgersen (1987) to conclude that housing had become a wobbly pillar of the welfare state. However, as Abrahamson argues, "so are also the other welfare institutions that ought to support and help the marginalised and excluded. In this sense the housing sector and its governance is not particularly insecure or uncertain." (Abrahamson, 2005:20).

The social housing sector in Denmark attempts to provide good, affordable housing for all (Skovgaard Nielsen & Haagerup, 2017). A municipality has the right to offer one in every four units to citizens who cannot find housing themselves, e.g. people leaving the psychiatric system. In return, the municipalities cover 10% of construction and land purchase costs. With the exception of 2% that is covered by tenant deposits, the remainder is

borrowed at market conditions, although with state guarantees. This model has generally survived a series of social, economic and political changes in the last fifty years and the sector continues to supply affordable housing. In Sweden, the social sector is now organised via municipal companies. In the 1990s, this construction made it easier for municipalities to sell (part of) their social housing stock. The outcome was foreseeable. The most attractive dwellings at central locations sold easily, while suburban 1970s concrete units were in less demand (Andersen, 2003). Similar attempts were made in Denmark (Bengtsson & Jensen 2020). However, these attempts failed as they met resistance from tenants and housing associations, as well as from local authorities because a substantial reduction of the sector would force local government to find other ways to accommodate citizens unable to secure housing themselves.

The social housing sector still has a strong competitive position in the larger cities, as it provides attractive housing at prices considerably below market value. Consequently, the waiting lists for social housing in the larger cities are long. In rural areas, quite the opposite is true, due to low demand, and private landlords are sometimes forced to accept lower rents. However, as social housing rents are cost-based, they do not follow the market, causing empty units and economic challenges for the housing department.

Perhaps, the most severe challenge facing the social housing sectors across Europe is the residualisation process (Borg, 2019; Madsen & Hornstrup, 2000). A general increase in prosperity throughout the 1970s and since, together with tax incentives for owner-occupied housing, encouraged an ever larger proportion of the middle and working classes to become homeowners (Harloe, 1995). The Right to Buy scheme in the UK is probably the most extreme example, although similar policies were introduced in Sweden and the Netherlands (Harloe, 1995; Jones & Murie, 1999). The remaining tenants had a weaker attachment to the labour market, the share of single-occupancy households rose and family households fell, and the number of tenants with immigrant backgrounds grew. The residualisation of the social housing sector, increasing segregation in the housing market, and the high cost of housing in the major cities are key to explaining the initiatives that have driven current development trends in the Danish social housing sector. These tendencies will be presented below, after a short method section.

Methods

The paper is based on input from a range of research projects that all examine the social housing sector, conducted over the last decade, ongoing as well as completed. Four are briefly presented below with references to further description:

1. Evaluation of the so-called Danish housing-social masterplans: surveys and interviews with professionals involved in carrying out social initiatives in selected Danish social housing areas. Case studies of three specific projects, visited twice to follow their development. Further description: Skovgaard Nielsen & Larsen 2022.[1]
2. The Danish part of a comparative project on vulnerable neighbourhoods in Belgium, Germany and Denmark, focusing on the link between national and local politics, desk research and interviews with selected actors in vulnerable social housing neighbourhoods. Further description: de Meere et al. 2019.

1 For all publications from the project, see https://vbn.aau.dk/da/projects/evaluering-af-landsbyggefondens-boligsociale-indsatser-finansiere.

3. The Danish contribution to a research project on housing policies in the European Union, in preparation for the German Council Presidency in the second half of the year 2020, based on desk studies. Further description, see link in footnote.[2]
4. A ten-year evaluation of the physical regeneration of Danish deprived housing areas, focusing on how physical transformation projects affect social life and the area's reputation, interviews with residents and local actors, and analyses of housing prices and media coverage. Further description: Stender & Nordberg 2022.[3]

Development tendencies in the Danish social housing sector

Overall, change in the Danish social housing sector in recent decades has been limited by the legal framework, financing, and organisational structure. Even so, some key changes has been made. In our paper, we have chosen five changes that, we would argue, have had and will continue to have substantial consequences for the development of the sector and that will shape its future. These changes and associated initiatives are essential in order to avoid residualisation of the social housing sector. However, they come at high cost as they effectively cap the availability of affordable housing and further curb housing opportunities for those who already have the most limited opportunities in the market. We will argue that these five changes constitute a threat to the very raison d'être of the Danish social housing sector.

Physical restructuring of social housing neighbourhoods

Background and purpose

From the beginning of the 1960s to the end of the 1970s, construction took off and kick-started the largest construction boom in Danish history (Bech-Danielsen, 2022). Many neighbourhoods that included social housing were built on an industrial scale using prefabricated concrete elements. Unfortunately, the first construction damages soon began to appear, e.g. cracks in the concrete and leaks in flat roofs (Bech-Danielsen & Stender, 2017). Furthermore, numerous areas were criticized for outdated architectural quality and geographical isolation from the surrounding city. As a result, several of these residential neighbourhoods ended at the bottom of the local housing market hierarchy and more resourceful residents chose other options (Bech-Danielsen, 2022). A re-prioritisation law in 1985 allowed Landsbyggefonden (The National Building Fund) to support corrective maintenance and refurbishment of shoddy constructions, leading to extensive physical upgrading of these neighbourhoods from 1985 until today. The purpose was to prevent disrepair and ensure quality housing in attractive residential areas, mirroring widespread efforts in Western countries to physically regenerate social housing areas (Droste et al. 2008).

Initiatives

Physical restructuring can be subdivided into three phases (Bech-Danielsen & Stender, 2017). Focus in the first phase (1985–1999) was to repair building damage, improve housing quality and enhance neighbourhood architecture. However, the efforts made were essentially superficial and failed not only to make the areas more attractive, but also to address fundamental social problems. This led to the conclusion that physical transformations

2 https://vbn.aau.dk/da/projects/research-project-on-housing-policies-in-the-european-union

3 For all publications from the project, see https://vbn.aau.dk/da/projects/f%C3%B8lgeevaluering-af-danske-ghettoomdannelser-for-landsbyggefonden

were not enough. In the second phase (2000–2009), the quality of material changes was improved, and social initiatives were introduced along with physical improvements. This approach did not work as intended, as the neighbourhoods remained isolated with a high concentration of social problems. A more urban strategic approach was adopted in the third phase (2010–2017). During this period, municipalities collaborated strategically with housing associations and introduced new infrastructure, functions and housing types in existing neighbourhoods. In addition to strategic initiatives, the renewal process included improving housing and social conditions. Today, the restructuring of social housing areas continues to produce attractive residential areas. Experience from many years of refurbishment is reflected in the so-called 'parallel societies legislation', which – as we shall see below – dictates the need for even more drastic physical changes in deprived neighbourhoods.

Discussion of effects

Social housing has undergone significant change not only in the construction techniques used and architectural identities created, but also in social initiatives introduced to make social housing more attractive and improve social conditions by increasing social mix. As a result, a number of neighbourhoods have made positive progress, while others are still at the bottom of the local housing market hierarchy, fraught with social problems. These are the so-called disadvantaged neighbourhoods.

The physical restructuring has both advantages and disadvantages to the overall housing market. On the one hand, providing attractive social housing areas and keeping social housing up-to-date is essential to uphold quality in the social housing sector with respect to housing units and housing areas alike. On the other hand, the transformed neighbourhoods tend to become more attractive, creating an upsurge of interest among affluent citizens. As a result, vulnerable citizens with few options may find it even more difficult to find affordable homes of good quality. In the worst-case scenario, intervention may even contribute to the areas becoming gentrified, and vulnerable citizens having even fewer opportunities to find a place to live.

The parallel societies legislation

Background and purpose

Despite the efforts described above, a number of social housing areas remain disadvantaged and home to a high concentration of ethnic minorities and socially vulnerable residents. They are stigmatized and have negative reputations (Birk & Fallov 2021; Mechlenborg & Stender, 2022). Against this background, the Danish government introduced the parallel society legislation in 2018 entitled "One Denmark without Parallel Societies: No Ghettos in 2030" (The Danish Government, 2018). The purpose of the legislation is to physically transform disadvantaged social housing areas and create socially mixed neighbourhoods with a balanced socio-economic composition by, among other initiatives, attracting more resourceful citizens. The introduction of this legislation resonates with widespread attempts across the world to improve the social mix of deprived neighbourhoods in order to dilute urban disadvantage and enhance social inclusion (Arthurson 2010).

Initiatives

The legislation covers several policy fields and includes a range of measures to be implemented in part or total in the four types of areas specified in the legislation based on a specific set of criteria. A detailed review of the legislation is beyond the scope of this paper.

Instead, we focus on the most radical of the housing measures introduced, i.e. a reduction of social housing volume. This is implemented in the so-called restructuring areas (initially termed "hard ghettos"). Municipalities and social housing organisations are forced to implement radical changes regarding structural layout, architecture, ownership and social mix. Therefore, a development plan is required for each area including specific measures to reduce the proportion of social family housing from 100% to 40% by 2030. The tools to reduce social family housing are demolition, sale, rebranding (from family to senior or youth accommodation) and the construction of new non-social housing units. Some residents will lose their current homes in the process. These residents must be offered at least one alternative unit of a suitable size at a suitable location and price, although not necessarily in the same area. The areas' resident compositions are monitored annually. If the resident composition is not sufficiently changed by 2030, the government will take over administration of the areas with the option to demolish them.

Discussion of effects

Substantial transformation projects, including demolitions, are ongoing in most of the implicated neighbourhoods. The legislation is unprecedented and its effects drastic, as homes of relatively high quality are being demolished and vulnerable residents forced to move out to reconfigure the social mix. Beyond its unprecedented nature, the legislation has launched a vast social housing experiment – the most significant in Danish history – that introduces substantial changes for many vulnerable residents and will continue to do so for many years to come (Bech-Danielsen et al., 2021).

On the one hand, it is clear that years of transformation and social projects failed to prevent these areas from sinking further into deprivation and, therefore, drastic action seems to be justified. On the other hand, it is far from certain that this intervention will work. It is a 'one-size-fits-all' approach to substantially different housing areas in a variety of local housing market contexts. The 'parallel societies' initiatives affect the most vulnerable residents, whose social network is invariably rooted in their local community. Reducing the total number of social housing units limits their opportunities to find affordable accommodation. Forcing residents to relocate risks proliferating and spreading social problems to new neighbourhoods (Kleinhans & Varady, 2011), in which case the potential to direct social efforts at specific communities will be lost.

From 25% to 100% municipal allocation in selected municipalities

Background and purpose

In exchange for paying a proportion of the cost of constructing social housing, a municipality has a right to allocate residents in one in every four social housing units. The municipalities thereby avoid having to function as landlords and can still fulfil their housing obligation towards those who cannot find housing themselves. Municipal allocation was originally – and indeed in most municipalities remains – a tool used to aid those in dire need of housing. However, some municipalities allocate residents to all available housing units in order to steer resident composition of the neighbourhood and ensure an increased social mix of residents.

Initiatives

Legislation on municipal housing allocation offers municipalities the opportunity to allocate 100% of available social housing units by agreement with the respective social housing associations (Skovgaard Nielsen & Haagerup, 2017). While the purpose of the right to

allocate 25% is to secure housing for those who are most vulnerable in the housing market, the purpose of 100% allocation is to redistribute vulnerable and unemployed citizens more thinly. To some extent, flexible letting (see below) has made 100% allocation superfluous because flexible letting is a means by which to steer the resident composition by establishing a set of criteria for access to specific housing areas. However, 100% allocation remains a possibility and is still in use. As an example, in the municipality of Ishøj, the municipal administration individually screens everyone who applies for a social housing unit in the municipality. Some are given preferential treatment and are granted access to available units (e.g. young people leaving home to start in employment or education, employed people and elderly citizens from outside the municipality who may have a specific connection with the municipality), while others are excluded from certain areas, i.e. the unemployed or people on a low monthly income (unless they already reside in the municipality and wish to move to a smaller apartment).

Discussion of effects

In some municipalities, changed use of the municipal allocation right implies not only a change in the share of social housing affected, but also in the essential purpose of allocation. Where the 25% allocation right improves opportunities for those who have fewest options open to them in the housing market, to some extent, the use of the 100% allocation right achieves the opposite. Crucially, the municipality must still aid those who cannot gain housing themselves. This means that the 100% allocation right is used as a steering tool that does not restrict citizens' access to housing but determines which neighbourhoods deprived citizens can gain access to. Furthermore, it increases the complexity of gaining access to housing. We will return to this issue later in the discussion.

Increased use of flexible letting

Background and purpose

In the 1990s, increasing attention was paid to the segregation levels in specific social housing areas, not least in response to an outcry from the mayors of the municipalities west of Copenhagen in the early 1990s. This led to the first initiative that attempted to directly steer the resident composition of deprived social housing areas towards an increased social mix. The government initiative named 'flexible letting' was introduced in 2000. Previously, the only criteria for gaining access to social housing was time on the waiting list (the only exception being the municipalities' option to offer one in four units to those unable to find housing themselves). This changed with the introduction of flexible letting.

Initiatives

Flexible letting was initially an independent tool that gave municipalities an opportunity to allow certain groups in the population to "jump the queue" in specific housing areas (Skovgaard Nielsen & Haagerup, 2017). The areas were specified by a ministerial list published yearly. The ministerial list was based on official statistics regarding unemployment, the immigrant population, convicted criminals, education and income. Working with the housing associations, the municipalities defined criteria for who they would allow to "jump the queue", usually students and people in regular employment. In 2005, a further initiative, 'combined letting', was introduced that allowed municipalities to refuse to let a dwelling in an area on the ministerial list to a person receiving social benefits, provided that the municipality could offer them an alternative unit. In 2018, with the introduction of the parallel societies legislation, flexible letting became compulsory. Meanwhile, housing associations

and municipalities are now increasingly using flexible letting in non-deprived areas. This is having even greater impact on the social housing sector.

Discussion of effects

In addition to its original purpose, flexible letting is now used to prevent neighbourhoods from becoming deprived and ending up on government lists. There are few evaluations of the effects of flexible letting, in particular, regarding their extended use. The main focus of existing evaluations is the extent to which the tool results in an altered resident composition, e.g. as in an evaluation of flexible letting in Aarhus Municipality (Kjærgaard & Hansen, 2022). On this basis, the tool can be said to have the intended effect. However, it also has potentially grave side effects, namely further limitation of the opportunities available to those who have most limited opportunities in the Danish housing market. In the past, the waiting-list system in Denmark ensured that, in this one sector of the housing market, opportunities were equal for all. Previous studies have shown how the Danish social housing sector offers good housing opportunities even for those with limited resources (e.g. Skovgaard Nielsen, 2017; Skovgaard Nielsen et al. 2015). Flexible letting changed this, as it gives people who already have better options in other housing sectors the opportunity to jump the queue in certain areas. While it could be argued that this tool ensures that no one benefits from living in concentrated deprivation (Galster 2007), its extended use in non-deprived neighbourhoods may be a slippery slope that leads to further marginalisation of the least resourceful in terms of housing choices. Flexible letting affects those who wish to get into social housing and those who wish to improve their housing situation, because flexible letting overrides both the public waiting list and the internal waiting list for moving within the housing association (BL, 2022).

25% social housing in new neighbourhoods

The last of the initiatives presented here differs from the others. Firstly, the initiatives described above all address existing housing. The last initiative addresses new builds. Secondly, it is a planning tool implemented to prevent a situation in which market forces alone dictate housing prices and accessibility, particularly in the expensive big cities. It is therefore a tool that should provide more affordable housing, although – as we will argue – possibly not to an adequate extent.

Background and purpose

In Denmark's largest cities, owner-occupied and cooperative housing prices and private housing rents are rising. Urbanisation puts increasing pressure on the housing market and new residential neighbourhoods in or near city centres are developed to meet the demand (Bolig- og Planstyrelsen, 2021). However, new communities are typically dominated by market-driven forms of housing. Social housing construction is under pressure as the Social Housing Act sets a maximum price for construction costs, which naturally affects social housing associations' purchase prices. Land prices soar particularly in times of economic growth, making social housing construction a difficult proposition. Spiralling prices mean that the less resourceful and even the middle class have fewer housing options at their disposal. New builds offer most opportunities to affluent citizens. The result is growing housing inequality, increasing segregation and gentrification.

In 2015, the Danish Parliament amended the Planning Act, giving Danish municipalities an opportunity – not an obligation – to set aside up to 25% of housing stock in new neighbourhoods as social housing, no matter if the land is privately or municipally owned

(Bolig- og Planstyrelsen, 2021). The objective of the act is to ensure that cities develop in socially sustainable ways and to prevent social groups from living in isolation.

Initiatives

The amended Planning Act was adopted for a 10-year trial period and will be evaluated in 2024–25 with a preliminary evaluation after five years. The preliminary evaluation (2021) showed that eight of Denmark's 98 municipalities had used the option to demand that a certain percentage of social housing in future residential areas be placed at municipal disposal (Bolig- og Planstyrelsen, 2021). The tool is used primarily by municipalities in the largest cities, such as Copenhagen and Aarhus. As a result, the share of social housing was 6% of the total housing construction (2021) in the areas where the initiative was implemented. Data indicates that social housing rents are lower than private rental housing rents in the same area. However, there is only limited data and it is too early to determine the effect of the intervention. The amendment to the Planning Act is a recent initiative. Urban planning, development and approval take years and new neighbourhoods are very long-term projects. Building social housing is, however, essential to ensure future affordable housing. Although the initial disparity may be minimal, the rent gap between private and social rental housing widens over time as social rents increase in line only with inflation, whereas private rents increase as landlords see fit and in line with market forces.

Discussion of effects

The amendment to the Planning Act is a small step towards ensuring that social housing is included in urban development projects and that there will be social diversity in new urban neighbourhoods brought about by the presence of a variety of housing and ownership types. The question is whether the intervention is effective enough when only eight municipalities have implemented it, resulting in merely 6% social housing. If the initiative were made mandatory, its effect would increase. In major cities, social housing associations find it difficult to develop affordable housing because they have difficulty buying plots of land and are obliged to keep construction costs down. This essentially means that there is little potential for creating socially sustainable cities, especially during periods of economic growth. On the one hand, the intervention is crucial to ensuring that urban developments include social housing. On the other hand, the intervention is used at the municipalities' discretion and fails therefore to provide an optimal number of affordable social housing units in the market-driven housing markets of the larger Danish cities.

Discussion: In defence of the sector's existence

Social housing in Denmark has a long tradition of offering good housing at affordable prices. The crisis of the 1970s gave the post-war optimism a first crack: construction waste and rising rents together with an increasingly challenged local social environment led to growing criticism of the social housing model. The sector suffered serious setbacks:

1. A general increase in prosperity meant that large groups in the Danish population could opt to move into owner-occupied (detached) housing.
2. Resourceful residents were largely replaced by socioeconomically weaker groups – early retirees, people on benefits, etc. The result was a rapid residualisation of the sector, which has left it in a politically, socially, and economically defensive position (Madsen & Hornstrup, 2000).

3. In terms of the architecture, large-scale construction projects around 1970 were castigated for uniformity, anonymity and an inhuman scale.
4. With the housing shortage effectively eliminated, the government of the time slashed public support for housing construction, including social housing.
5. A concentration of immigrants and socioeconomically marginal groups in the least attractive housing areas gave the sector a negative image with crime, violence, insecurity and poverty.

All in all, this created 'the perfect storm': social housing became the scape goat among politicians, citizens, and planners. The development in other Western European countries is confusingly similar. However, other countries have tackled the issues differently – not least because of different organisational structure and state/municipal involvement (Blackwell & Bengtsson, 2023). However, without exception, interventions have negative effects on the housing situation and rights of less resourceful citizens, while developments in the housing market effectively exclude them from the alternatives.

This paper highlights four changes in the social housing sector that challenge the sector's role in providing housing for those with the most limited options in the housing market, and one change that is meant to widen their opportunities but is, however, not utilised to its full potential. Overall, the authors claim that this series of changes calls into question the role of the social housing sector – its very raison d'être. While this paper focuses on the Danish case, some of the drawbacks inherent to the strategies chosen may function as a warning to others, as they highlight a quest to avoid segregation and concentration of deprived residents that may in fact substantially curtail access to housing opportunities for the citizens who are most in need of help to find housing.

The connection between the welfare regime and the housing market has long been influenced by Kemeny's housing regime theory, distinguishing between a dualist and an integrated rental market (Kemeny, 1995). A welfare regime demands strict means-testing and tends to produce residualisation, while an integrated rental market is based on the same (unitary) principles as the profit and the non-profit sectors. Until a few decades ago, the Danish housing market was clearly an integrated market. However, substantial changes have occurred: Everyone now has access to the social sector without means-testing, and other priorities and checks on applicants have been introduced that restrict access to (specific areas of) social housing for selected groups and generally impair their housing market opportunities. Thus, it is debatable whether the Danish social housing sector can still be described as unitary. Expressed in slightly polemical terms, these changes may be described as a turn away from means-testing toward people-testing. Furthermore, with reference to Esping-Andersen, changing conditions can be seen as the beginning of a recommodification (Kadi 2013) of (parts of) the sector, limiting opportunities for the most deprived residents to uphold a socially acceptable standard of living independent of market participation.

Physical tools are used in an attempt to transform deprived neighbourhoods into more attractive places to live which can attract more affluent residents and thus improve the residential mix. While such initiatives may be necessary to avoid neighbourhoods becoming too deprived with all the negative repercussions deprivation has for residents, areas and society, greater attention must be paid to the grave consequences of such initiatives for the housing opportunities of those with the most limited choice. While not earmarked solely for the socially disadvantaged, the social housing sector is meant to secure housing for precisely this group.

In addition to physical tools, other social housing allocation tools are being implemented not only in the most deprived areas, but also in areas that do not appear on any governmental list – including, notably, the list of 'prevention areas'. This essentially means that municipalities and housing associations are applying allocation measures to prevent prevention, so to speak. Although citizens in need of housing are not left to their own devices and municipalities are obliged to help them finding housing, their choice of neighbourhood has become more limited. Meanwhile the complexity of the social housing sector has increased substantially because the waiting list is no longer the sole factor that defines allocation. Adding to complexity is the fact that, in the past, the same waiting list model was used in all housing areas in all municipalities in Denmark. With the introduction of new allocation criteria, there is no longer a common model, as much depends on the agreement reached between the local municipality and housing associations. Various other factors vary from one municipality to the next, i.e. the number of areas affected by the new allocation criteria, the percentage allocated by the municipality and the criteria by which housing is allocated. A once simple, intuitive system has become complex. This will further challenge those who already struggle in gaining housing. As argued above, extensive use of allocation tools in non-deprived neighbourhoods may constitute a slippery slope towards further marginalisation of the less resourceful citizens in terms of the range of housing choices available to them, affecting their opportunities to get into social housing and improve their housing situation.

One initiative that may offset the effects of some of the above and improve the housing opportunities of those who struggle the most, is the amendment to the Planning Act. Herein lies a potential, albeit one that is far from being fully utilised.

Overall, we argue that there is a risk of setting in motion a gentrification of the social housing sector and losing sight of the purpose of the sector in a quest to make the resident composition of the sector resemble more closely that of the Danish population. However, we have to ask: Is this a fair and meaningful objective? Should the sector really work so hard to cater for those who do not find it difficult to find housing, at the expense of those who do? It is important to strike a balance between resolving the undeniable challenges faced in (a few) specific social housing neighbourhoods on the one hand and defending the sector's purpose, i.e. securing housing for those with limited means and most challenges in finding housing themselves, on the other. Appropriate regulation of the market could prevent the sector from becoming either a post-modern slum or a middle-class enclave. Especially in the big cities, social housing is the *only* sector available to those of modest means.

Finally, we need to address the assumption underlying all these initiatives that it is possible to socially engineer resident composition and orchestrate an 'ideal' composition in all (social housing) neighbourhoods. People are not static; they do not stay as they are when allocated housing – they might 'gain' or 'lose' resources and thus no longer contribute to the social mix in the same way as when they moved in. There is a further question that does not seem to have been addressed: Do we really want to steer the resident composition to such an extent that there is less room for individual preference? Are preferences a luxury afforded only by the affluent? This used not to be the case in Denmark – current developments indicates that we might end up there.

To be clear: The above is neither an argument for ignoring the challenges of specific social housing neighbourhoods, nor for abstaining from taking action. The paper speaks in defence of the sector: It continues to honour its past and secure its future in aiding those with the most limited options in the housing market, those with most limited means. We should not lose sight of this indispensable role; rather we should support it.

Conclusion

Housing policy assumed a central role in Europe after the Second World War; war damage and the crisis in the 1930s created a large backlog in the housing market. Acute housing shortages forced nation states to build rapidly. The task was often assigned to a social or public housing sector. The social housing sector was founded as an alternative to a market-driven supply of private rental housing. In the Danish case, the social housing sector was organised as private, non-profit enterprises that, in cooperation with local authorities, provided housing for housing seekers. The overall goal was to provide housing that ordinary families could afford. Over time and from the late 1960s, increasing prosperity brought about changes in social and family composition among the residents. The families for whom the housing was originally intended moved to the preferred housing type of the time: the detached house. As a result, many of the new social housing neighbourhoods were dominated by singles, immigrants and people on social benefits.

The many government interventions in the public housing sector reflected the changing social and economic composition of the population, especially social housing tenants and the dynamics of the housing market generally. Overall, this means that the 'one-size-fits-all' approach of the past is no longer viable: the housing supply in general, including the social housing sector, has not adapted to any significant extent to new household types and their wishes for their home and its location. Moreover, the administration of the social housing sector has become more complex with different rules applying in different areas and municipalities. The system has become non-transparent, bureaucratic, and difficult for housing-seekers to navigate.

The increasingly extensive efforts in the sector can reduce the risk of residualisation, but at the expense of more vulnerable citizens. Current interventions are primarily intended to offset the inadvertent development of deprived housing estates, which is undoubtedly a fair and relevant purpose. Unfortunately, the action of new interventions primarily makes access to the social housing sector difficult for those who need the sector most. Paradoxically, the more interventions introduced to avoid the marginalisation of individual areas, the more difficult it is for the sector to fulfil its core task: providing suitable housing for vulnerable citizens. Consequently, the need for the social housing sector is reduced, challenging the very raison d'être of the social housing sector that constitutes an essential element of the Danish welfare model. Ultimately, intervention may have been counterproductive. To use a metaphor, the operation may have been successful, but the patient has died.

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