



FAKULTA
SOCIÁLNÍCH VĚD
Univerzita Karlova

Course:
Lecture:

Critical Urban Sociology
Housing crisis and urban social problems

Housing crisis and urban social problems

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Discussion:

- What do you imagine when we say „housing crisis“?
- How big would you consider the housing crisis comparing to other world problems? Is there any housing crisis?
- What are the features of current (un)affordability of housing?
- How much approx. do you pay for your housing (% of your income)?
- Do you have any experiences with short time rentals (Airbnb, Booking.com...)?



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Data: Housing crisis in central Europe













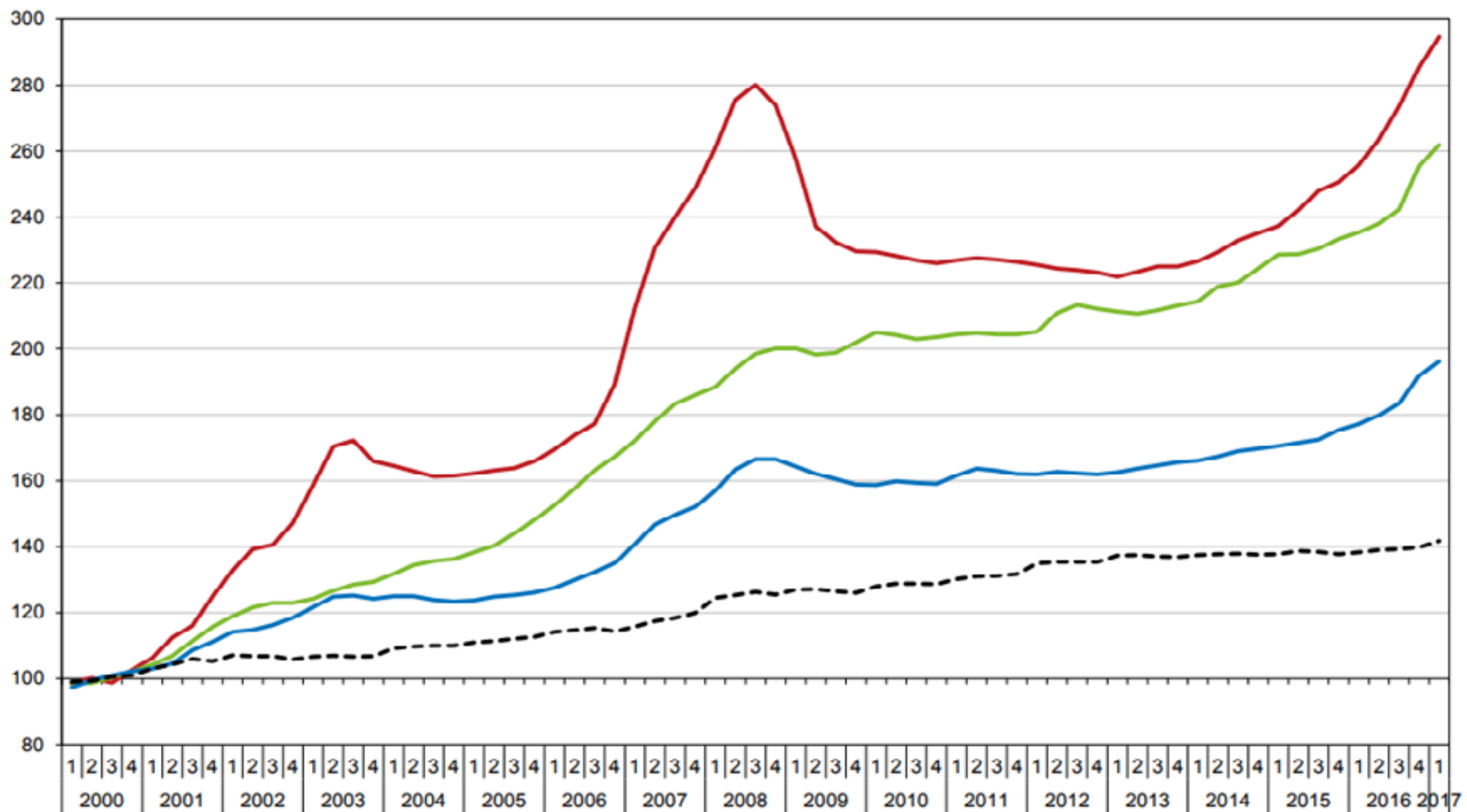


Prague:

- New development – over 4000 Euro/m² (2019)
- Rentals – 15 Euro/m² (= 50 m² flat cca 700 Euro)
- Investment flats -> up to 40 % in new estates
- Since 2008 no new public housing
- Airbnb - > Prague (higher offer of short-time rentals than regular, approx. 20 000 flats), Brno

CZ:

- 11 one-year salaries to buy a flat (2x more as in GER, AUT, NED)
- 26 % of household's income on housing (5th in the EU) + 21 % share of rental housing (low share)
- 2017 – fastest growth of prices in the EU
- Mortgages -> 47,5 % of avg. Income
- privatization





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Musíme více stavět, nabádá Babiš novou ministryni Dostálovou



Public discourse on housing



- Construction stagnation, necessity of change, we need new development in order to make housing more affordable (demand/offer), private (real estate) sector as a key
- Politicians (state + local administration), investors, media, part of experts
- Elitization of decision making, development and construction as closed field of experts (conflict of discourses, housing is a political question)
- Public housing, city developer, part time rentals regulation
- Building act -> 2018 exclusion of the public from the decision making; 2019 – recodification-> exclusion of expert and (some) state institutions, centralization, fiction of agreement; prepared by the Chamber of Commerce
- Metropolitan plan of Prague
- Regulation weakening
- Unability of effective confrontation of the dominant discourse and presented solutions



Academical approaches to post-socialist housing situation



- (relatively) low interest in marxist/radical/critical approaches (heritage of socialism?)
- Geography / Faculty of Science (Matoušek 2013, 2014)
- Socioeconomy of housing / Sociological Institute CAS
 - data analyses of housing inequalities, market risks and regional differences in housing affordability (f.e. Sunega, Lux 2018; Lux, Kuda 2008; Lux 2011; Heřmanová, Kostelecký 2000 etc.)
 - housing policies models and impacts (např. Lux et al. 2002; Lux, Kostelecký et al. 2011)
 - > low reflection of the radical perspective (-> confrontation of current housing policy models)
 - > similar conclusions to radical/critical perspectives x maintenance of dominant views on the problem (housing as commodity, deserved)
 - + focus on applied research, low development in theory (see Ferenčuhová 2013: 208 – 209)



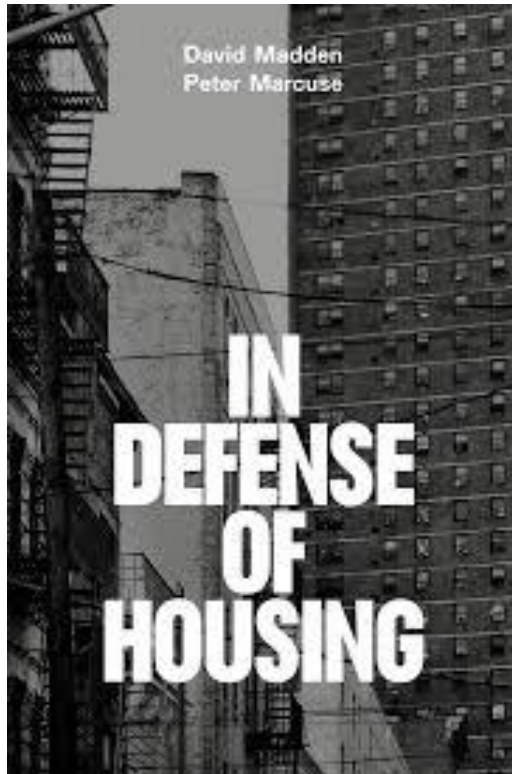
- Ouředníček – „developmentalism“ (belief in the realignment of former socialist cities to their Western counterparts and in the gradual “correction” of their socialist character)(2016)
 - Conceptions of „post-socialism“ (Ferenčuhová, Gentile 2016; Hirt, Ferenčuhová, Tuvikene 2016; **Eurasian Geography and Economics, Volume 57, Issue 4-5 (2016)**)
 - Critique of unreflected transfer of neoliberal analysis concepts into post-socialist city/housing (Soaita 2019)
 - > financialization, conceptional dichotomies formal/informal (...) -> non-functional for post-socialism
 - > concept of *diverse economies* – existing and possible alternatives of capitalism
 - > Romanian case study – various alternatives in housing (but different environment than in central Europe)
 - > „a host of economic practices articulated with one another in dynamic and complex ways and in multiple sites and places,, (Smith and Stenning 2006)
 - > links the market, grey, and black economies with households’ and states’ welfare/economic practices
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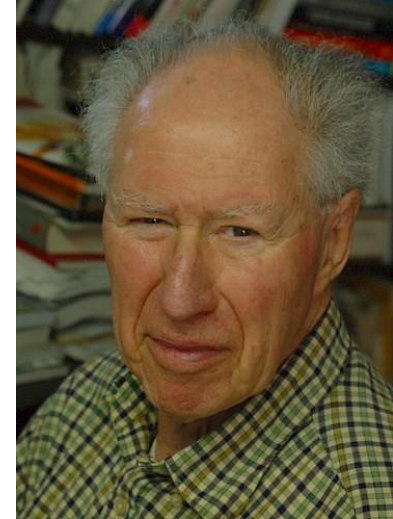


In Defense of Housing



Peter Marcuse (*1928)

- lawyer, urbanist, son of Herbert Marcuse (One-dimensional man, Frankfurt school)
- UCLA, Columbia
- Right to the city, occupy



David Madden

- sociologist, urban studies, political sociology
- Housing, public space, urban restructuring, critical urban theory
- LSE





- > housing as a domain of elite architects and economists (4), neglected aspect of housing as political-economical problem
- > housing as **lived** social space vs. instrument of economical profit (home vs. real estate; use value vs. exchange value); the aim must be the defence of the first from the second
- > core of the conflict -> connection between the social positions and residential experiences, nature and determination of housing, control of housing;
- > the question needs to be perceived as a part of globalized neoliberal capitalism (housing is political)
- > global economy and **financialization** of housing are the main causes of growth of prices
- > importance of discursive interpretation of concrete housing aspects connected to economical situation – f. e. real estate markets, mortgages markets (Samec 2019)



Housing crisis – in the USA related to state intervention on the housing market, in the UK often linked to tendency to bring new benefits to private developers in order to break the local planning rules

Czechia: domination of segmented elite, solutions -> technocratic instruments of neoliberalization (M&M) -> less bureaucracy, weakening of construction regulation (state & local), acceleration of administration processes, better management (bigger offer => lower prices)

Neoliberal turn after the velvet revolution – shift in political direction, privatization (Sýkora 1994, Horak 2007), change of the perception of „ownership“ in the relation to housing in post-socialism (Šmídová 1996; Lux, Mikeszova 2011)



M&M: Housing and urban development as controlling elements of current global capitalism + instruments of reproduction

M&M: Housing crisis interpreted as an exception of fundamentally healthy and stable system (ideological distortion -> experience of residential crisis reflects and amplifies the insecurity in capitalist societies)

M&M: Housing crisis as predictable and consistent output of capitalist development -> housing not as home, but as a commodity to profit actors of real estate market

Weakening of regulations follows primary economic interests – not affordability of housing



Hyper-Commodification

- ⇒ Transformation of housing into commodity (-> commodification)
 - ⇒ Housing = the most determining commodity of practically all aspects of social life
 - ⇒ Control of housing = control of leisure time and work
 - ⇒ Hyper-Commodification -> transformation of all material and legal structures into commodities (houses, land, work, property rights...mortgages)
 - ⇒ Process, through which is the housing becoming from infrastructure for living an instrument of financial accumulation
- (26)





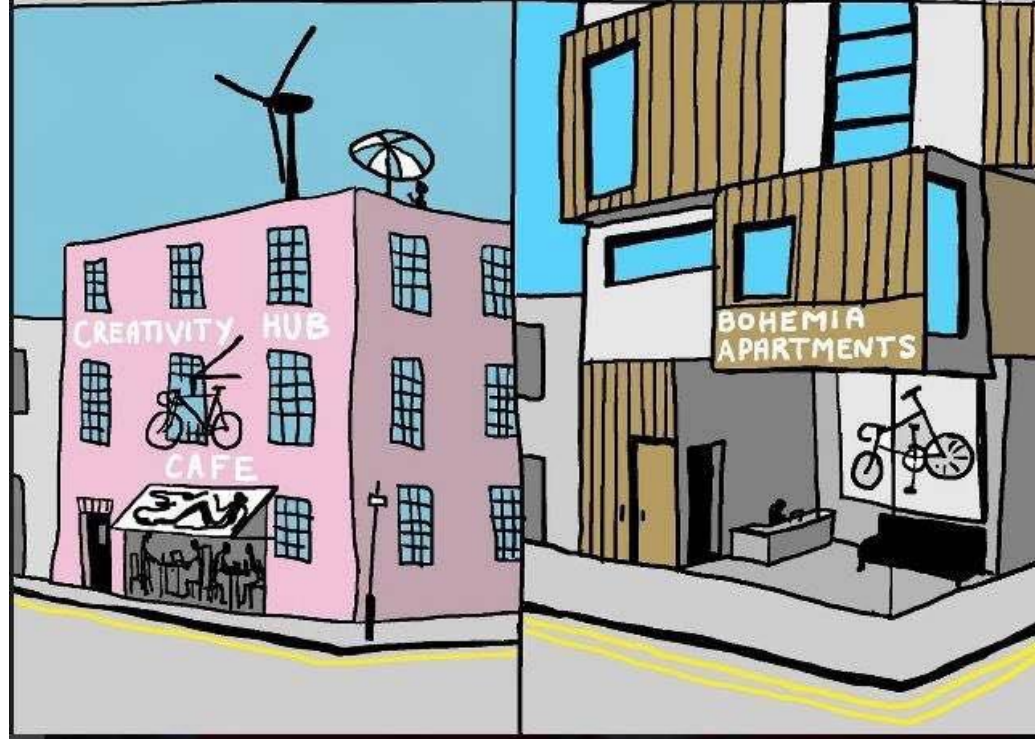
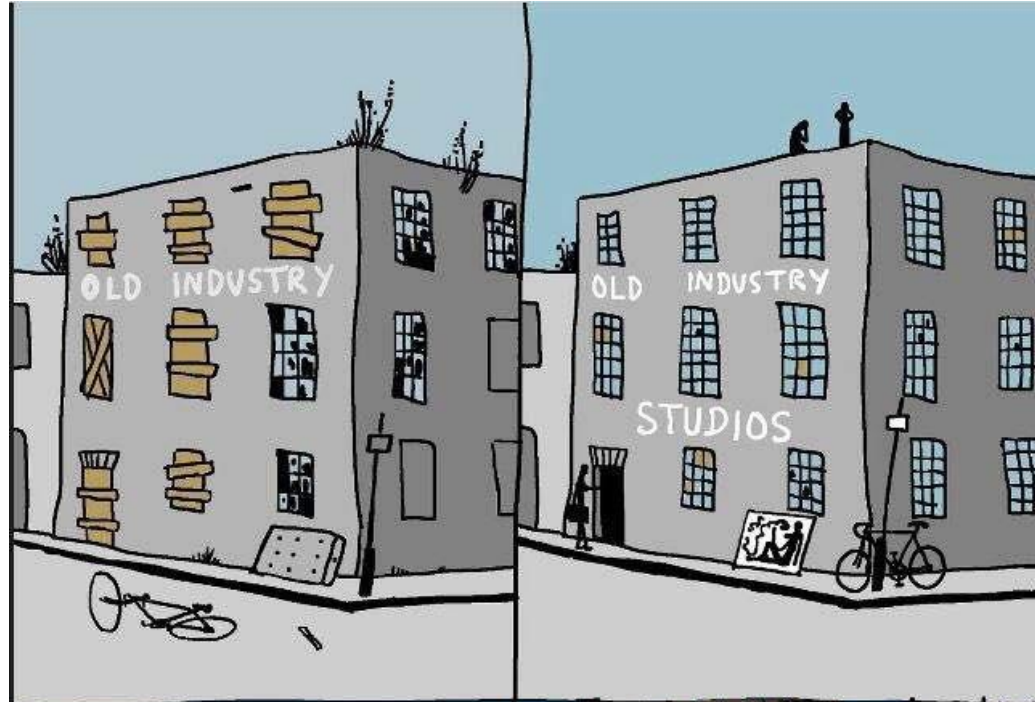
Financialization of housing

- ⇒ Growing impact of financial actors (banks, investment funds), influence of financial markets, instruments and metrics, which shape influence the shape of economics, institutions, households (Fernandez, Aalbers 2016: 2)
- ⇒ Harvey: in neoliberalism, the life embedded in the system forces us to „act neoliberally“ whether we like it or not (= we adapt also on the financialized way of living)(Harvey 2007: 6)
- ⇒ Financialization = direct component of neoliberal politics
- ⇒ Imbalances in the growth of financial markets and GDP creates surplus of investment money, which seek use -> Harvey: big investments into urban space as a consequence of capital accumulation (80s, second circuit of capital)



Residential Alienation

- ⇒ Direct consequence of commodified and financialized housing
- ⇒ Housing as a *precarized* part of insecure world
- ⇒ Theoretical connection -> Marx – alienated work -> time and body become at work a property of someone else; similarly housing = alienated „impersonal thing“
- ⇒ Psychosocial experiences of residential alienation – fear, stress, anxiety, inequality (see Fried 1966 – „loss of everything“, „I felt like my heart was taken out of me“, „I felt cheated“, „emotional loss of place attachment“)
- ⇒ Typical example: gentrification
- ⇒ Inspiration: Lefebvre – actor x space relation; urban space as environment to employ individual creative energy, need of independent space re-creation
 - analogy in housing – home as elementary human need and also expression of our creative capacities
- ⇒ **Residential alienation** = capitalist class captures the housing process and exploits it in order to fulfil own interest









Ontological security

- ⇒ Hyper-commodified housing = exploited housing
- ⇒ Housing as the instrument of someone else's profit, loss of social power => precarity, insecurity, lack of ability to social change
- ⇒ Alienation experience = basic psycho-social experience of marxist-determined political-economical conflict -> housing segment holder of such conflict
- ⇒ Insecurity transferred to other dimensions of life -> unsatisfactory jobs, relationships, destabilization of family life, children education...
- ⇒ Disruption of basic psychological dimension -> *ontological security* (Laing 1965)
- ⇒ Czechia/Prague: risks of unstable rental housing, residential segregation, groups with lower income; mortgages (avg. monthly instalment 47,5 % of household income) – homeownership doesn't secure break out from ontological security disruption and residential alienation



Residential oppression

„Systematic efforts to use place and quality of residence in order to enhance political stability, to intensify exploitation, to undermine resistance, to impose cultural uniformity, or to shore up the legitimacy of a prevailing system“ (Madden, Marcuse 2016: 88)

- ⇒ Oppressive functions co-exist with the commodity form of housing
- ⇒ Housing as a commodity has the ability to structure the social life
- ⇒ Transformation of urban space in order to suppress the resistance as usual strategy in countries with deeper social conflicts
- ⇒ Hyper-commodified city with lucrative housing removes, diminishes or disperses dangerous classes -> potential source of conflict is forced to focus on own survival
- ⇒ Luxurious or elite housing doesn't carry the culture of protest = commodification not only as capital accumulation strategy, but also governance technique



Israeli settlement in Palestine



Czechia: housing as central subject to aspects of urban development in public discussion (everybody knows, but different solutions); absence of civic response

- revolution heritage (DEMOCRACY = free market)
- political assurances (2018 communal election – housing as central topic)
- high share of proprietary housing (heritage of socialist system of housing, privatization, supported dominant culture of homeownership in Czechia)
- role of planning and legislation (discussion – what is the influence of construction and housing regulation on housing situation and how can we connect it to the theoretical conception of M&M?)





Role of ownership

- ⇒ US: embedded in american ideology (Madden, Marcuse 2016: 95)
- ⇒ Historically provided bigger civic rights; neoliberal ideology in the centre
- ⇒ Post-socialism -> „fetishization“ of private ownership; Buliding Act (2018): civic rights according to ownership (first time since Velvet Revolution) -> strenghtening of the role of ownership in political decision making and the housing question



Emancipative potential of housing

- ⇒ Resistance against oppression – usually place of work (traditional conflictual theories) x housing more as a place of consumption (M&M: 105)
- ⇒ Today: growing significance of real estate market in the global system
- ⇒ M&M: Housing has emancipative potential, but residential struggles won't lead to bigger social transformation (x Lefebvre: *urban revolution*)
- ⇒ Formative potential of housing -> rent strikes
- ⇒ Potential of protest movements -> not only political change or social emancipation, but also presentation of alternative ideas of *home* (community projects, cooperatives, baugruppen, squats...)





Residential Liberation

- ⇒ Deeper content than only bigger affordability of housing; not only appeal to the ruling class to solve the housing situation
- ⇒ Needs to enable the confrontation with power (primary to residents), inequality and structural violence
- ⇒ Housing needs to gain political content again; current housing struggles copy the social struggles



Reaction of social movements

- ⇒ Initiated by the defense of *home* against *commodification*, mobilized by „those, who inhabit“ (broadest sense - Lefebvre 1996: 158)
- ⇒ Use value against exchange value
- ⇒ Typical for american movements (NY), resistance in waves, connection with other interests & movements (social rights, LGBTQ+, refugees rights etc.)
- ⇒ Czechia: various groups -> autonomous movement, leftist organizations, partly ecological movement, lobbying organizations (Platforma pro sociální bydlení)
- ⇒ Step of some activists into communal politics
- ⇒ Low share & interest



The Myths & Dysfunctions of Housing Policy (M&M 119 – 144):

- ⇒ Elementary problem -> relation of power and private capital
- historical analysis of housing policies in the USA -> always benefits for private sector
 - lack of knowledge, incompetency, selfish interests, lack of political courage
 - true motivation of state actions in the housing sector: „to secure political and economical order“
 - basics of housing politics in capitalism: securing political stability & support of private profit accumulation
 - important role of urban institutions and planners, projects of urban renewal (often led to residential oppression)
 - American Institute of Planners -> main supporter of slum evictions (+ Urban Land Institute – research organization financed by developers) -> urban renewal historically formed by real estate market agendas and financial industry



CZ: Sdružení pro architekturu a rozvoj (SAR)

- Founded by Central Group (Prague leading developer), association of architects, lawyers, economic experts...
 - Conferences & summits of SAR -> key arenas of discussions about questions of future development
 - Expert organization vs. lobbystic platform of private sector
 - Another examples: Association of developers, Chamber of Commerce
 - Public discourse on housing primarily about the need of breaking the regulations (-> faster construction of private projects on private land)
 - Urban renewal directly influences profits of developers (facilitates goals of capital of the real estate market)
 - Revitalization of cities as a direct part of privatization process of housing policy
- ⇒ Affordable housing programmes more in order to fulfil the needs of real estate market rather than the need of housing of the inhabitants
- ⇒ Effective housing policy -> turn away from the state – market relation, focus on „who determines the policies and whose interests are followed“ (144)
-



Podpora reformy stavebního práva se zásadními připomínkami

Doporučujeme dorešit:

Koncentrované jednání a úprava komunikace v rámci stavebního řízení

- Komunikaci úředníka vedoucího spis a dalších úředníků
- Komunikaci mezi SÚ a žadatelem

Instituty předběžného projednání věci, ústního jednání, výzva k doplnění žádosti

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A ROZVOJ

Společný hlas odborníků pro kvalitní architekturu a pozitivní rozvoj

SUMMIT
ARCHITECTURY A ROZVOJE

Co se povedlo,
co nepovedlo
a co je potřeba udělat?

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Proposed solutions (M&M) – how to defend housing?:

- Fundamental goal -> housing for all with no exceptions (right to housing grounded in the UN Declaration of human rights)
- Right to housing as a challenge for current system
- Necessity of fundamental transformation of economical structures of current society, which will enable to face strong actors and institutions
- Change of current circumstances with reflection of political, discursive, legislative climate
- Transformative requirements need to be formulated within prevailing system and preset tracks, but shouldn't be seen as utopistic and must aim to more fundamental change



General requirements (M&M):

- ⇒ De-commodification
- ⇒ De-financialization
- ⇒ Stronger accent on public housing
- ⇒ Bigger reflection of needs and requirements of inhabitants, management democratization, participation
- ⇒ Lower abstraction in technocratic world of planning and bureaucracy
- ⇒ Unrolling of alternative forms of housing (baugruppen, cooperatives, community projects...)
- ⇒ Extend the housing struggles to broader sphere of social movements globally



Czechia:

- Transparent and quality planning and regulations (spatial plans, regional and state conceptions, legislation, strategic documents and their implementation...)
- Local participation
- Effectivity, strenghtening and education of building councils
- Public housing & construction
- Act on social housing
- Motivation for private investors, cooperation
- Community planning, cooperatives, baugruppen
- Alternative mortgages (coops)
- Short-time rentals regulation (Airbnb), investment flats regulation (taxes)
- Affordable and social housing shares in new transformation projects (brownfields)
- Market x non-profit model of housing



Positive examples of housing policies:

Vienna -> historical context

- 78 % rental housing, big share of public housing, cooperative housing, regulation of private rentals
- Active long-term support of community and social forms of housing; clear rules for developer construction
- Change of spatial plan => 2/3 of flats with regulated rents

Amsterdam -> 1/2 of public housing with rent regulation, construction 5000 public housing units yearly

- 80 % of land owned by the municipality, land for private construction on long-term lease
- Requirements for affordable and social housing in new construction

Barcelona -> after 2008 – massive evictions -> big civic initiative -> local elections (mayor Ada Colau) -> policy of right to housing -> support of affordable housing landlords, eviction prevention, anti-Airbnb and speculation policy, municipal construction, support of cooperatives...

Berlin -> „freezing“ of rents on 5 years





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Urban Social Problems



- ⇒ Racism, poverty, lack of affordable housing, polluted air, crime...
- ⇒ Cannot be solved by individual actions
- ⇒ In MCMRs, suburbs affected almost as likely as cities – majority of poor people in the US live in the suburbs
- ⇒ Crucial social factors for urban and suburban settlements -> race, class, gender; social problems in particular are caused by poverty, racial exclusion, gender discrimination, and patterns of economic uneven development within settlement space => differential access to resources
- ⇒ Role of space -> independent causal effects of uneven development
- ⇒ => Life chances result from an interaction between social factors and spatial organization



(Most significant) Factors of urban social problems:

- 1) Concentration of people and resources (Engels 1973 (1845), Lefebvre 1991) – spread of problems in density
- 2) Internationalization of capitalist economies -> immigration
- 3) Global cycles of economic investment -> employment + geographical context
- 4) Spatial distribution of resources – cities as economic centres -> spatial manifestations of wealth within the cities x manifestations of poverty (uneven development)



Residential segregation

- Most powerful indicator of systemic racism in the United States
- Concentration of population and resources within a specific settlement space -> high levels of social isolation, crime, police violence
- Systematic discrimination in employment and in the housing market
- Homeownership as primary mechanism for Americans to build wealth and its inter-generational transfer
 - => middle-class blacks are more likely to live in a bad neighborhood than are poor whites (Eligon and Gebeloff 2016)
- Czechia: racial segregation -> Roma (socially segregated, excluded localities -> northeast, poor regions, industrial regions, big cities -> vanishing of exclusion, gentrification)



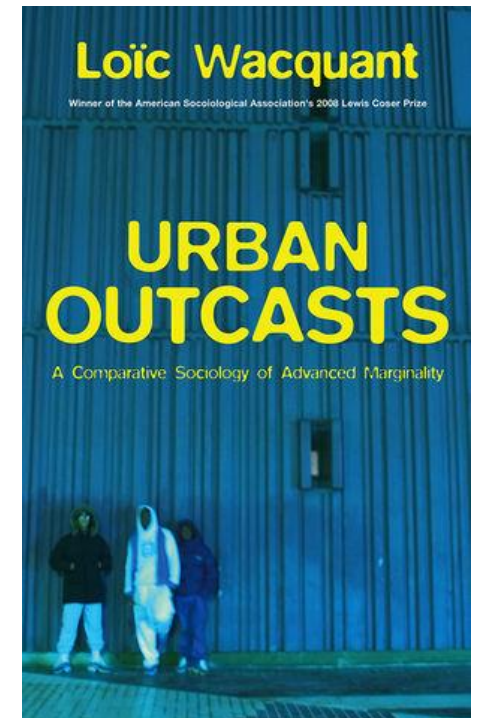
Taeuber, K. and Taeuber, A. (1965) – Negroes in Cities: Residential Segregation and Neighborhood Change

- Compilation of statistics on American cities with regard to the relative locations of whites and blacks
 - *Index of segregation* – 30 % of African American population in a city – even distribution of black population across space
 - > percentage of African Americans who would have to move in order for all neighborhoods to reflect the 30 % black composition of the entire city
 - > f. e. 90 % black neighborhood – 67 % blacks would have to move = index of segregation 0,67
- ⇒ All US cities discovered to be highly segregated (indexes above 0,50)
- ⇒ Most segregated cities in the 1970s: Detroit, Chicago, Buffalo, New York, Cleveland...



Wacquant, L. – Urban Outcasts (2007)

- Comparative study of segregated neighborhoods of Chicago and Paris -> differences between European and American dimensions of segregation; ghettos x banlieues (traditional residential neighborhoods of former working class)
 - *Advanced marginality* – socioeconomical and political marginality, typical for modern capitalist states; „new regime“ of spatial and social exclusion as a consequence of uneven development and distribution + lower expenses on social state + social structure based on hierarchical racial or ethnical principle
- => *Advanced marginality* = *economy* (changes on the labor market) + *state* (public and social policy and deregulation of social state) + *social relations* (system of ethno-racial stratification and domination)





„Drawing on a wealth of original field, survey and historical data, Loïc Wacquant shows that the involution of America's urban core after the 1960s is due not to the emergence of an 'underclass', but to the joint withdrawal of market and state fostered by public policies of racial separation and urban abandonment. In European cities, by contrast, the spread of districts of 'exclusion' does not herald the formation of ghettos. It stems from the decomposition of working-class territories under the press of mass unemployment, the casualization of work and the ethnic mixing of populations hitherto segregated, spawning urban formations akin to 'anti-ghettos'.“

Amazon.com



- *Voluntary segregation* – class segregation within the black community (upper-class tends to live on the periphery of black neighborhoods)
 - Still -> urban ghettos created by a form of racism and violence designed to prevent blacks from moving into „white“ settlement spaces (incl. federal housing policies)
 - Bullard and Feagin (1991) -> role of real estate agents and housing-related institutions -> variety of methods to prevent blacks from locating in white-owned areas
 - > „steering“ -> real estate agent „steers“ black applicant to areas populated by blacks or refuses to divulge the existence of housing opportunities in white areas
 - Role of banks -> mortgages & loans – division of prime and subprime market
 - *Hypersegregation* – intensification of segregation process, bigger isolation
 - > unevenness, isolation, clustered, concentrated, centralized (Massey and Denton 1993)
 - 2010 -> about one-third of all black people in the US lived under conditions of intense racial segregation
 - Major determinant of racial segregation is racial background (not income, social class or level of integration)
-







Rosa Parks



Most - Chanov



Poverty

- Concentrated in specific settlement spaces
- Poverty level in the US -> 12,228 \$ yearly (individual) / 24,492 \$ yearly (four members family); various costs on housing & food => above 30 % spend on housing (threshold of housing affordability)
- 2016 – cca 13 % of Americans below poverty level (relative statistics)
- Not exclusive for cities -> distributed in rural areas as well as urban places; today – majority of all persons living in poverty reside in suburbs (but so do the majority of non-poor)(US)
-> *deconcentration* of poverty across the MCMR



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