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THE WOBBLY PILLAR REVISITED.
THEORIZING WELFARE STATE AND HOUSING POLICY:
THE CASE OF DENMARK¹

ABSTRACT

During the welfare state era housing policy was considered one of its five important pillars (the others were: health care, education, social insurance and (full) employment). After the so-called crisis of the welfare state and with globalization as the postmodern condition the welfare state in general, and housing policy in particular has been questioned. The theoretical concepts applied within welfare state research are *altmodisch* because their point of reference is the *trentes glorieuse*, the golden years, of welfare state development that took place from 1945 to 1974. The aim of this paper is to reconceptualize welfare state theory with an eye to housing policy. This is done by reflecting on recent developments in welfare and housing policy in Denmark under conditions of globalization and Europeanization.

First, the post WW II welfare state consensus is outlined and, by way of comparative analysis, it is briefly discussed whether there is an affinity between general social policy and housing policy development. The central concepts are emphasized within the theory of social citizenship. Second, the new globalized postmodern condition is described in general terms emphasizing important new concepts such as social exclusion, zones of assistance, ethnic ghettos and commodification. Third, the development of general welfare policy and particular housing policy in Denmark from the war and to the present is briefly sketched. Finally, a renewed vocabulary is tentatively outlined as a contribution to a new theory of contemporary welfare and housing policy. Here the emphasis is on individualization, marketization and polarization within a dual welfare state.

Key words: Deterritorialization, Globalization, Housing Policy, Segregation, Welfare State

Introduction

*[There is a] broad consensus that
welfare states everywhere
are in trouble
(Pierson, 2001: 2)*

Housing is, apart from income (from work), the single most important item when it comes to the well being of the individual and/or his or her family in contemporary society. One reason is that housing takes up a large share of private consumption; 25 per cent is spent on housing expenditure by an average family in Denmark (Kristensen, 2004: 9). Furthermore, housing is an important social signifier, and it is the stable point of identification in an otherwise fluctuating every day life marked by individualization and detraditionalization (Beck & Beck-Gernsheim, 2000; Gullestad, 1989). Therefore, one of the central issues when it comes to welfare of citizens is housing policy. But housing policy is also what has been labelled the 'wobbly pillar' of the welfare state (Torgersen, 1987; Malpass, 2003; Kemeny, 2003).

William Beveridge in his report to the British Government in 1942 identified 'five giant evils' of our time: want, disease, ignorance, squalor and idleness that should be addressed by a set of welfare state institutions. Social insurance should do away with want; health care should cure disease; ignorance should be dealt with through education; idleness should be tackled through employment policies (full employment), and housing policy should put an end to squalor (Beveridge, 1942).

Table 1 Modern welfare states: correspondence of risks and remedies

RISK	REMEDY
Want	Social insurance and social assistance
Disease	Health care
Ignorance	Education
Idleness	(Full) employment
Squalor	Housing

Source: Inspired by Beveridge 1942

In a talk to the opening of an exhibition named 'Rebuilding Britain' in 1943 he said about squalor: 'By Squalor I mean the conditions under which so many of our people are forced to live - in houses too small and inconvenient and ill-equipped, impossible to keep clean by any reasonable amount of labour, too thick upon the ground, too far from work or country air'

(Beveridge, 1943: 167). At the end of the war in Denmark squalor could be specified in two dimensions: dwellings were generally in shortage and overcrowded; and they were of poor standard, being damp, without WC's, bathrooms and central heating (Nissen, 1971).

Already in the inter wartime the state intervened in the housing market to try and secure a reasonable and affordable housing stock for working people. This was done through rent control and subsidies to building of public social housing (*almennyttige boliger*) in Denmark or, e.g. council housing in Britain. Finally, since the beginning of public social provision the (local) state has supported the payment of rent of the (deserving) poor on a discretionary basis. These efforts were, however, insufficient and results were generally poor and unsatisfactory. But with the gradual expansion of welfare state institutions including housing policies and eventually full employment, squalor as defined by Beveridge and briefly described above, gradually disappeared and by the mid 1970s the welfare state could, in all practical terms, be said to have done away with that one giant evil. It had, however happened through a dual strategy: on the one side via public housing policies as indicated above, and on the other side through what Richard Titmuss termed fiscal welfare: tax relief for interest on debt which heavily support home ownership. Massive redistribution in favour of the better off took place via this public subsidy of middle class suburbia. The result was, hence, a dual housing market: a rental sector for poor and lower working class citizens, and a single family house sector for middle and upper class citizens.

Likewise, concerning the other evils, the post war compromise had delivered the following: A comprehensive system of income replacement in cases of sickness, unemployment, old age and disability could be said to have done away with want; full employment had prevented idleness, and ignorance was being fought through a comprehensive public school system, and the development of a high quality universal, public health care system, probably, would also have lived up to Beveridge's highest expectations. So, when the first oil crisis struck the OECD world of nations in the winter 1973/74 the welfare state had, to a very large extent, delivered what it had promised. But with the crisis came mass unemployment and a significant reduction of income for many people, and the universal welfare state began to be reconsidered.

The shortage of labour power had triggered immigration to Europe; but many of these immigrant groups had low skills and little training and no tradition for women (or at least mothers) working. They were especially hard hit by the new times. Furthermore, they had taken up housing segregated. With the so-called crisis of the welfare state, which in all meaningful sense of the word was a crisis of welfare *capitalism* rather than of its welfare *state*, squalor came back in a new disguise, namely as homelessness on the one hand and ghettoisation on the other hand. Following the crisis, welfare institutions became re- and deregulated, leaving more room for market and civil societal institutions.

Simultaneously and subsequently other central societal institutions were changing. The gradual recognition of a variety of different family

forms was developing; labour markets changed profoundly from manufacture dominated to service dominated industries, and the class structure changed from a predominantly vertical to a predominantly horizontal form of stratification. During these processes the housing market polarized and housing policies in Denmark became even more dualized: more and more deregulated and market driven regarding home ownership and middle class private renting on the one hand, and targeting and insulating the so-called ghettos and their minority populations on the other hand.

This radically changed situation calls for renewed conceptual and theoretical work, and what follows is a small, tentative and humble contribution to such a rethinking of welfare and housing under conditions of globalization. It is being suggested that housing has become even more wobbling but so are the other welfare sectors. In that sense there can be identified a convergence towards ‘wobbliness.’

International Comparison of Welfare and Housing

The development of the Danish welfare state after the Second World War followed to a large extent the Beveridge blueprint, or was, at least, highly inspired by it.² Hence a universal welfare state model was developed, with a high degree of direct public responsibility and involvement in the five welfare institutions. The main features are highlighted in contrast to a Bismarckian approach in table 2.

Table 2. Two opposing welfare state models: Beveridge vs. Bismarck

	Bismarck	Beveridge
Example	Continental Europe/ France	Scandinavia/Denmark
Criteria for entitlement	Contribution/ membership	Right/citizenship
Political ideology	Conservative	Social Democratic
Central institution	Voluntary Organizations	State (public sector)
Financing	Social partners’ contributions	Taxes
Demarcation of entitled population	Affiliated with the labour market	Legal resident

Source: Elaborated from Abrahamson 2005

In a (West) European context welfare organization is split between a resident/citizenship versus a membership principle. Within the Beveridgean model legal residency or citizenship is the key to entitlement to collectively organized welfare provision; within the Bismarckian model entitlements are dependent upon contributions to corporatively organized welfare institutions within the labour market. This places the state at various levels as the central institution in the former model, while the voluntary organizations of the labour market are the important institutions in the latter model. The Bismarckian model dominates Continental Europe, while the Beveridgean model dominates the Nordic countries not the least Denmark. In the Continental model welfare provisions are predominantly financed out of contributions from the social partners, while general tax revenues are dominant in Scandinavia. This is common knowledge within the welfare state literature and sometimes the scheme is differentiated by separating out a liberal model from the Beveridgean with a strong emphasis on private market solutions and a Southern model emphasizing the family as most important institutions (for an elaborated discussion see Abrahamson, 1999). Whether the Bismarckian or the Beveridgean way was chosen they both represent what Thomas Marshall (1950) labelled social citizenship, which he defined thus: 'By the social element I mean the whole range from the right to a modicum of economic welfare and security to the right to share to the full in the social heritage and to live the life of a civilized being according to the standards prevailing in the society' (1950: 72).

These traditional understandings have been challenged, however, on a number of accounts. Firstly, it has been convincingly argued that when it comes to family policy and especially social services for children France (and Benelux) stands out from the other Continental countries with provisions meeting or surpassing Scandinavian standards (Anttonen & Sipilä, 1996). So when the perspective is changed from transfers to services the clustering of welfare states changes. The important question in this context is, of course, whether the welfare models are relevant when the perspective is on issues within the build environment. I.e. are city and housing policies differentiated along the same lines as social transfer payments? Jim Kemeny (2003) has investigated this, and he found that rental housing systems are divided into two types: dualist (profit-rental market and residual public poor housing sector) and unitary (not-for-profit integrated into the market). Comparing with the usual welfare model distinction, no Nordic social democratic regime type can be identified for housing. I.e. there is no affinity between how housing markets and welfare states are structured. Kemeny classified Denmark and Sweden as belonging to the integrated or unitary housing system, while Finland and Norway belong to the dualist system (as is USA). France is classified as belonging to the integrated type (2003: 47). So in a comparison of Denmark and France, for instance, we would find that they belong to the same type of rented housing systems but to two different welfare regimes. This example suggests that an affinity between welfare state regimes as has customarily been developed with reference to the organization of social insurance programmes and housing policies cannot be expected.

This is, perhaps, not surprisingly given the formulation about housing being the wobbly pillar of the welfare state. For a long time housing has been considered a more commodified item than the other pillars, at least when home ownership was regarded. The rented sector was and is often regulated, and public social housing has always been regulated and subsidized. The distribution of the population on renting versus on home ownership could then, in general, decide the degree of 'wobbliness;' that is the more citizens own their dwellings the more wobbly is this pillar in the sense that it is more exposed to the business cycle than, say, education or health care. The Danish case may be atypical since the system of fiscal welfare benefits makes the homeowner sector highly regulated (and privileged). The Danish case aside, overall tendencies indicate the other pillars becoming more wobbly over time, since they are being more exposed to the market forces because of wide spread privatization and marketization through the introduction of user fees and charges, for instance within health care and education. But also the introduction of supplementary unemployment insurance and the whole pension market is indicative of a commodification of welfare benefits and services. If these observations are correct the housing sector is not particularly wobbling; but the whole welfare state can be considered to be standing on more shaking grounds now than was the case in its golden days.

Globalization: the postmodern condition

Hitherto, the vocabulary engaged in discussing changes in welfare governance has been the 'traditional' well-known concepts, mainly of Anglophone origin, developed by William Beveridge, Thomas Marshall and Richard Titmuss. To a large extent social policy and welfare state analysts have been content with this; but from a sociological perspective it seems odd to continue to apply concepts developed in an earlier epoch at a time when everything else are radically different. Contemporary society is no longer an industrial society. This has been recognized and concepts such as post-industrial have been utilized (e.g. Esping-Andersen 1999); others have applied similar concepts such as post-fordist (Jessop 1994), postmodern (Harvey, 1989; Kumar, 1995), late modern (Giddens, 1994), or just the other modern (Beck, 1992), to conceptualize present society. Others, again, have preferred terms like knowledge society (Lyotard, 1984) or service society. All these efforts to redefine modern society point to sociologists regarding qualitative changes have taken place with regard to central institutions in society. The basic economic structure has changed from manufacturing to service producing industries, and institutions such as family, class, gender, generation and ethnicity are considered not to be what they used to be.

A plurality of life forms have emerged to the extent that some sociologists have coined the paradoxical term: post-familial family forms to try and capture the simultaneous presence of singles, gay couples, living-together-apart (*Commuter Ehe*), yours, mine and our children, more generation families, etc. They apply the traditional functionalist concept of institutionalised individualism (Parsons) to describe this new condition

where citizens are expected to form their own biographies, but are bound to do so within the frameworks of existing labour markets and welfare arrangements (Beck & Beck-Gernsheim, 2000).

Within French sociology it has become common to view the class structure as radically changed from a vertical to a horizontal stratification, as expressed e.g. by Alain Touraine (1991: 8):

Nous vivons en ce moment le passage d'une société verticale, que nous avons pris l'habitude d'appeler une société de classes avec des gens en haut et des gens en bas, à une société horizontale où l'important est de savoir si on est au centre ou à la périphérie...l'affaire n'est plus aujourd'hui d'être "up or down" mais "in or out".³

Robert Castel (1995) implicitly substituted the traditional concepts of under, middle and upper classes (or lumpen proletariat, working class and bourgeoisie) with 'integrated, vulnerable and disaffiliated.' Later he applied a spatial term to this differentiation talking about four 'zones' of social life and added the category of assistance onto the previously mentioned three: 'Now, the zone of integration is breaking up, the zone of vulnerability is expanding and continuously feeds the zone of disaffiliation. Is our only adequate response to strengthen the zone of assistance?' (Castel, 2000: 526).

Politics has also changed from parties to social movements, from local, physical publicities to electronic media; and policy has changed from government to governance it has been argued. It is this last dimension specified to welfare state arrangements in Denmark that this paper discusses in the following. But, first a decision about how to label the new society must be taken. That is the subject of the next section.

Liquid modernity or the paradox of space

*A bizarre adventure happened to space
on the road to globalization:
it lost its importance
while gaining in significance
(Bauman, 2001a: 110).*

There are very important theoretical reasons for considering space when post-industrial or postmodern welfare provision is under investigation. Not the least, when housing and housing policy is being considered. As Krishan Kumar sums it up:

With the devaluation of time comes the elevation of space. The plane of the timeless present is the spatial. If things do not get their significance from their place in history they can receive it only from their distribution in space. Post-modernity traffics in the contemporaneous and the simultaneous, in synchronic rather than diachronic time. Relations of nearness and distance in space, rather than in time, become the measure of significance (1995: 146).

The future of (European) welfare is caught in the tension between the local and the global. The condition of postmodernity is one that emphasizes the locality and views the nation state as of declining importance in general. This goes for the area of politics where (not so new) social movements, rather than traditional nation-wide political parties and trade unions, carry the potential for changes, and they are very often concerned about issues confined to localities. On the other hand, the importance of place is also expressed through the processes that are now being named globalization as already pointed to by David Harvey:

...the more unified the space, the more important the qualities of the fragmentations become for social identity and action. The free flow of capital across the surface of the globe...places strong emphasis on the particular quality of the spaces to which that capital might be attracted. The shrinkage of space that brings diverse communities across the globe into competition with each other implies localized competitive strategies and a heightened sense of awareness of what makes a place special and gives it a competitive advantage. This kind of reaction looks much more strongly to the identification of place, the building and signalling of its unique qualities in an increasingly homogeneous but fragmented world (1989: 271).

Zygmunt Bauman has coined the concept of *liquid modernity* to describe contemporary society (Bauman, 2000). It is hence indicated that our time is indeed modern, but as already Karl Marx foresaw in 1848: 'everything solid melts into air' (Marx & Engels, 1970: 17).⁴ What distinguishes liquid modernity from early modernity is the lack of stable institutions. There is no condition; everything is process. With liquid or fluid modernity the relationship between time and space has been altered. Modernity started by the separation of time and space from living practice and from one another as opposed to pre-modern time when they were inseparable.

In early modernity space was the dominant category. Citizenship, e.g., was (and is) bound to space. However, now 'Power can move with the speed of the electronic signal - and so the time required for the movement of its essential ingredients has been reduced to instantaneity. For all practical purposes, power has become truly *exterritorial*...' (Bauman, 2000: 10-11). Bauman talks about the 'revenge of nomadism over the principle of territoriality and settlement. In the fluid stage of modernity, the settled majority is ruled by the nomadic and exterritorial elite' (ibid. p. 13). While *trust* and *confidence* were constitutive of early modernity, *risk* and *uncertainty* is now the hallmark of liquid modernity. He finds that 'the present-day uncertainty is a powerful individualizing force. It divides instead of uniting...' (Bauman, 2001b: 24).

The spatial consequences of current developments are summarized as follows: 'the new fragmentation of the city space, shrinkage and disappearance of public spaces, falling apart of urban community, separation and segregation - and above the exterritoriality of the new elite and the forced territoriality of the rest' (Bauman, 1998a: 23). So, spatial differentiation in a globalizing world works very differently for the affluent majority and the deprived minority. The former transgresses space while the latter is confined to the ghettos. In *Wasted Lives* (Bauman, 2004: 41) the reference is to (economic) immigrants and asylum seekers who are considered superfluous, hence connecting to those characterised as vagabonds in earlier writing. Furthermore, the criminalization of these poor people on the move is done through associating them with the great new fear of our time: terrorism (Bauman, 2004: 54). According to Bauman we have moved away from the social state, which was committed to inclusion to an exclusionary state, committed to criminal justice and penal, or crime control following the considerations of criminalizing the poor (Bauman, 2004: 67).⁵

Other sociologists have also discussed contemporary society with reference to the category of risk. To Castel public urban and social policies are not truly socially integrative; they treat the excluded in an objectivised manner by treating them as risks:

The new strategies dissolve the notion of a subject or a concrete individual, and put in its place a combinatory of factors, the factors of risk...these new formulae for administering populations fall within the emerging

framework of a plan of governability appropriate to the needs of 'advanced industrial' (or as one prefers, to 'post-industrial' or 'postmodern') societies (Castel, 1991: 281).

Ulrich Beck states that risks are no longer associated with social class, as was earlier the case, because the class structure has, if not dissolved, then has become more hybrid. Furthermore, new risks have emerged which know of no social or state border distinction. This is what has caused him to phrase the term *risk society* as an adequate description of our contemporary society: 'The system of coordinates in which life and thinking are fastened in industrial society – the axes of gender, family and occupation – begins to shake, and a new twilight of opportunities and hazards comes into existence – the contours of the risk society' (Beck, 1992: 15). Parallel to Beck, Anthony Giddens, another promoter of an understanding of our present as 'reflexive modernization' discusses risk, and in his later work we find similar formulations: 'The links between class and collective social engagement have become quite sharply lessened over the period of the expansion of reflexive modernization' (Giddens, 1994: 143). In the first place, Giddens finds that the welfare state has been very much oriented towards *risk management*: '...efforts at risk management indeed being a basic part of what 'government' in general has become' (Giddens, 1994: 137). On the other hand: 'Welfare systems proved not only incapable of bringing about much redistribution of wealth and income; the welfare state actually became in some part a vehicle helping to promote the interests of an expanding middle class' (Giddens, 1994: 149). Failing in redistributing resources, the welfare state was, nevertheless, quite successful in *risk sharing*; but in the current situation we are also confronted with what Giddens calls manufactured risks: 'The success is very real and significant. It presumes, however, a relatively stable distribution of risk across society...In an era of reflexive modernization these issues become more and more problematic' (Giddens, 1994: 150). Giddens and Beck are not alone thinking that the welfare state is not to the same degree there to protect everyone against risks, e.g. Richard Breen (1997: 473) observes that 'Until relatively recently the welfare state, the nuclear family and the firms acted as hedges against market risk...But in all three areas these hedges have become less effective and the result has been a shifting of risk so that it is now more directly borne by individuals.'

It is probably no coincidence that it is no longer on the level of the nation state universal welfare policies are announced. If we follow Nikolas Rose what we are witnessing is a reconfiguration of welfare policies; these are no longer directed toward 'society', but toward 'communities': '...it seems as if we are seeing the emergence of a range of rationalities and techniques that seek to govern without governing *society*, to govern through regulated choices made by discrete and anonymous actors in the context of their particular commitments to families and communities' (Rose, 1996: 328). Furthermore: '...'the social' may be giving way to 'the community' as a new territory for the administration of individual and collective existence, a new place or surface upon which micro-moral relations among persons are

conceptualized and administered' (Rose, 1996: 331). Rose distinguishes between what he calls the *affiliated* and the *marginalised* and he holds that they are governed and expected to govern themselves according to different strategies. By utilizing the concept of risk he finds '... a point of entry for an investigation of these novel 'post-social' strategies for governing conduct' (Rose, 1996: 340). Currently, he identifies a strategic shift regarding politics of security. Once again we are supposed to take responsibility for our own and our family's situation by insuring ourselves against risks, e.g. through private health insurance, private pensions, etc. This has been labelled the 'new prudentialism' where the middle classes are expected to take care of themselves through various mutual arrangements, and welfare policy becomes something quite different:

In this new configuration, 'social insurance' is no longer a key technical component for a general rationality of social solidarity: taxation for the purposes of general welfare becomes, instead, the minimum price that respectable individuals and communities are prepared to pay for insuring themselves against the riskiness now seen to be concentrated within certain problematic sectors (Rose, 1996: 343).

We, hence, need management of what has developed into 'new territories of exclusion' and this is being done through various policies of activity for the marginalised so that they can learn to be responsible, make calculated choices and live up to community obligations. I shall try and concretize this point below with reference to the focus on so-called ethnic ghettos in Danish housing policy.

The paradox is that the more modernity turns liquid the more significance is attached to space and place. In the following these considerations will be used as a backdrop for discussing welfare state and housing policy development in Denmark.

Phases of Development of Housing and Welfare Policy in Denmark in the Post World War Two Period

1945-1975: The Golden Years or les Trentes Glorieuse

'In post war Denmark housing policy was a central element in building up the welfare society' writes Hans Kristensen (2004: 7). He mentions the establishment of the Ministry of Housing in 1947 and states the main aim of housing policy to be to get rid of what Beveridge had named squalor (*bolignød*) through the accelerated building of both rental housing and home owner dwellings. With a slow start the building of public social housing (*almennyttige boliger*) took off from the mid 1960s and a decade later the housing market could be said to be satisfied or in balance. State intervention had taken place along two dimensions: the public housing sector received substantial subsidies for construction of dwellings on the one hand, and on the other hand home ownership was supported via fiscal welfare since interests on debts could be deducted from taxes. The combination of

boosting both the public housing rental sector and the home ownership single-family house sector led to a situation where there was no longer a shortage of dwellings.

This development changed the geographical and social segregation of the urban space and population. Immediately after the war all social categories such as socially excluded, workers, middle class and the bourgeoisie all lived in the city centres, albeit allocated to their particular zone or neighbourhood; a segregation which had developed since the expansion of the cities that came with the industrialization from the 1890s and onwards.

These early beginnings coincided with the 'golden years' of the welfare state, which in most West European states is identified as the period of time from 1945 to the mid 1970s, when the first oil crisis changed the momentum of welfare state expansion as already mentioned. In Denmark the establishment of the universal old age pension in 1956 paid to everyone at the age of 67 and older is one of the first and most significant manifestations of the establishment of the universal welfare regime.

The impact on social and spatial segregation was profound. What happened was that the expansion of publicly supported housing and of privately owned one family houses took place outside the city centres which created middle class suburbs and huge public housing estates. The (lower) middle classes populated the former, while (skilled and unskilled) workers moved in to the latter (Thomsen, 1994: 291). In this period, 1960s to mid 1970s, both public housing and suburbia were considered nice places to live, relatively spacious with high levels of comfort and lots of fresh air and green external surroundings.

1976-1992: Welfare State Crisis?

However, since the mid 1970s the public housing estates gradually changed while the middle class suburban spaces maintained their positive images. What happened was that new groups of people started to move into the public housing estates, notably immigrants and socially marginalised segments of the population. This development was to some extent facilitated by the gentrification of the old city centres which changed the earlier low income neighbourhoods into working and middle class ones, either because rents went up significantly or because the flats were converted into condominiums which likewise prevented low income families from occupying them. The poorer segments were pushed out into the public housing estates on the outskirts of town, hence changing the social composition there.

Again, there is a parallel development with respect to welfare policies in general. With the new Social Assistance Act coming into action in 1976 social policies targeted the poor were even more firmly placed at the local level, which was the level of implementation. The overall consequence of this reform-complex was decentralization, i.e. municipalisation, of the Danish welfare structure and upholding the principle of discretion (see further Abrahamson, 2002: 63 ff.).

1993- Restructuring the Welfare State

The gradual ‘deterioration’ of the social composition of the public housing estates led to discussions of ghettoisation and identification of ‘trouble areas’ and after the change of government in 1993 welfare and housing policy entered a new phase marked by the establishment of the City Committee (*Byudvalget*). This was a central government initiative that gathered civil servants from several Ministries to organize action plans focussing on selected deprived neighbourhoods, nearly all of them public housing estates (Kristensen, 1995, Kristensen, 1999).

The early 1990s also saw a change in welfare policy, which can be identified, as activation policies somewhat equal to the French insertion policy. Gradually, during the 1990s the Social Assistance Act has been changed regarding support for the young. Through the introduction of the so-called ‘youth-allowance’ the 18 years old and the 19 years old could not any longer receive social assistance passively. They had to submit themselves to either a job or a training activity, offered by the municipality, in order to receive cash benefits. As of April 1992 the youth-allowance was expanded to encompass all 18 to 24 years old applying for help according to the Social Assistance Act. Within two weeks the municipality was supposed to have found a suitable job, training, education, or other activity, for which the young person would be paid the equivalent of what they used to collect in assistance payments.

This legislative change is indicative for the current trends in Danish welfare policy encompassing the change from passive support to active involvement introduced in 1979 with the Job-offer-Scheme, and now expanded into other areas of the welfare system. In 1993 Denmark got a new government, for the first time in more than ten years lead by the Social Democrats only to be replaced by a new centre-right government in 2001. Yet, we saw a continuation of the policy taking shape during the 1980s, and in 1997 the Social Assistance Act was replaced by the *Act on Active Social Policy* making crystal clear that insertion, inclusion, activation were and is the key words in social intervention towards the poor. The various changes of government have not changed these ideas.

Table 3. Housing distribution and development in Denmark 1960 – 2000

	1960	1970	1980	1990	2000
Dwellings per 1000 inhabitants	323	370	435	476	476
m ² per dwelling	92	101	106	107	109
m ² per inhabitant	29	36	46	50	52

Source: Vestergaard 2004: 279

As is shown in table 3 squalor understood as over crowding and lack of enough dwellings have been addressed by the construction of more and bigger houses and flats. Hence, Danish citizens, in average, have 60 per cent more housing space to their disposal in 2000 compared to the situation prevailing in 1960. Furthermore, presently 60 per cent of Danish households own their dwelling, which, of course, means that 40 per cent live within the rental sector. This dualization is, more and more, developing into a polarization since it is becoming increasingly hard to go from rented to owned home because of substantial price increases.

Segregation at the Bottom: Ghettoisation?

The splitting up of the population between the resident types of the housing market, which has occurred subsequent to 1970, has in several respects turned out to have considerable sociological consequences (Christoffersen & Rasmussen, 1995: 47).

In the public discourse public housing estates had developed into ghettos with an over representation of ethnic minorities with little or no attachment to the labour market and ethnic Danes equally marginalised from the labour market and mainstream institutions of societal integration. Simultaneously, suburban one family house homeowner neighbourhoods developed into equally homogeneous middle class ghettos: ‘...there is a considerable difference of income between different types of housing. For families of working age incomes per person are nearly the double for those in homeowner dwellings than those within the public housing sector’ (Madsen, 2001: 6-7). This is to a large extent explained by differences in labour market affiliation. Of people of working age in public housing about one quarter of couple families and about half of single people were without work in 1997, while the corresponding figure in the homeowner sector were 3 pct. and 14 pct. respectively. This difference increased from 1991 to 1997. ‘Tendencies towards greater segregation on the housing market have occurred for more than 30 years or perhaps longer’ (Madsen, 2001: 9).

The issue of ethnicity and multiculturalism is, of course, linked to immigration and refugees seeking asylum. Jan Hjarnø stated: ‘The majority of labour immigrants, refugees and their families reside in the major urban area, especially Copenhagen, which today, like most European cities, has an ethnically diverse population with tendencies towards ethnic inequalities in terms of occupation, education and housing...The tendencies towards spatial segregation between ethnic groups...has been the prime hot-bed for xenophobic and racist discourse which has appeared’ (1997: 15-16).

Similarly Hummelgaard & Husted (2001: 70) found that ‘...almost 3/4 of refugees live in the metropolitan area...1/4 of all immigrants live in socially deprived areas, most of which is located in the metropolitan area, as opposed to only 3.6 % of the general population living here.... this strong geographical segregation means that 2/3 of all immigrants live in municipalities in which only 10 % of the population reside. Immigrants migrate so rarely that this has been the settlement pattern for decades.’ From 1984 to 1997 the over-representation of the most vulnerable social assistance recipients rose by 85 % in the socially deprived areas of the largest urban districts. This is the situation city politics is currently confronted with.

Welfare State Intervention in the ‘Ghettos’

*At the end of the day
city politics and urban regeneration
are all about the welfare of citizens.*
(Kristensen, 1999: 15)

Under the heading urban regeneration (*kvartersløft*)⁶ the 1993 and 1997 social democratic led governments have focussed urban policy on the so-called ghettos. This development started with the establishment of the urban committee (*byudvalget*) in 1993. It was an interdepartmental committee with representatives of civil servants from the following ministries: ministry of interior, ministry of housing, ministry of justice, ministry of church, ministry of social affairs and ministry of education. This diversity reflects an understanding of the complexity of the issues and problems to be addressed, and it was a reaction to the spatial and ethnic segregation discussed in the previous section.

The aim of the work initiated by the committee was thus to alleviate the negative social development in the socially deprived neighbourhoods. This should be done through a huge number and wide spectrum of suggestions, ranging from establishment of new activation offers in the neighbourhoods in the form of help-to-self-help programmes, larger renovation initiatives, the localization of a number of model neighbourhoods which was supposed to receive an intensive support and close monitoring. Furthermore, crime preventive measures, the mobilization of associations (NGOs) and church networks were also part of the initiative. Key persons in the strategy were so-called ‘tenants advisers’ (*beboerrådgivere*). Their task was through direct community work (*direkte opsøgende arbejde*) in collaboration with the other actors on the scene – housing co-operations, municipalities, and local business community – to coordinate the above-described initiatives. Secondly a number of initiatives were aimed at changing the social composition of the neighbourhoods through economic and counselling mechanisms. The third category of initiatives were directly targeted the ethnic segments. (Kristensen, 1995.)

A team of social scientists and economists have evaluated this initiative and their main conclusion was that negative social, physical and economic development on the estates has been stopped, and that the efforts of the Urban Committee have prevented problems from escalating. But the social problems have not been solved. Furthermore they stated:

One of the most important results of *The Local Network Strategy* is that in many municipalities a permanent co-operation has been established between local authorities and the tenants’ elected boards of the estates, where other local actors are often involved. In some municipalities the programme have also succeeded in changing the strategy of local authorities for social work to be more oriented towards neighbourhood-based efforts. In many of the municipalities, however, there has not been much change in the strategy of

local authorities and co-operation with the estates has been weak. On some of the estates efforts have succeeded in involving and benefiting vulnerable and deprived tenants. However, a large part of the social activities has been directed against all tenants and these general activities seldom have involved the weak groups and also seldom immigrants. Only activities aimed especially at these groups have been to their benefit. Some of the most successful activities were directed at young people and have reduced problems with crime and vandalism. (Andersen, 1999.)

The latest development which has occurred with the change of government in 2001 when the liberal-conservative minority government came into office relying on the parliamentary support from the so-called Danish people's party – a xenophobic, racist, right wing party – has meant bad news for ethnic minorities, refugees, immigrants and poor and marginalised people. Urban politics is now about seclusion or dispersion, and the term urban regeneration has been substituted with the so-called ghetto strategy. It has been more difficult to obtain permission to build public social housing estates, or they have been priced out of reach for marginalised citizens. More control has been enforced upon existing estates aiming at changing their social and ethnic composition. Finally, the current government has suggested to sell public social housing flats to the present tenants, mimicking what Margaret Thatcher did with council houses two decades ago in Britain (Elmer, 2003). General welfare policy is about reducing benefits and eligibility adding to a polarized social structure, which will be discussed in some more detail below.

Changes in social assistance: start allowance⁷

In line with the previous government the present one has found it imperative to reduce transfer payments to refugees and immigrants as a way of motivating them to seek employment and self-support. Ethnic minorities have a high level of unemployment in Denmark; roughly the double of the average for the whole population, and already in 1999 the former then social Democratic led government enacted the so-called introductory provision. It was meant for people who had recently arrived in the country, and payments were about two thirds of regular social assistance. However, the government was compelled to withdraw the act after complaints had been filed against Denmark for discrimination and non-compliance with international conventions. Nevertheless, the current government has succeeded in creating a legislation that is not formally discriminatory. It is called *start allowance*, and it can be given to people who are otherwise eligible for social assistance but who have not been residing in Denmark for seven of the last eight years. So, now one has had to be living in Denmark for at least eight years in order to claim social assistance; if not one can claim start allowance. Start allowance provides claimants with somewhere between 45 and 64 per cent of social assistance and is equivalent to state student grant (*Statens Uddannelsesstøtte*). Most recipients are refugees and the ethnic

composition of recipients is highly biased towards people from 'less developed countries.'

A number of poverty thresholds have been calculated for 2003: 50 per cent and 60 per cent net disposable income, a standard budget, a discount budget and a basic living level. In all cases were start allowance less than any threshold, and that was the case for all family types (*Social Årsrapport, 2003*: 112-114). This social policy invention is deliberately producing income poverty at a level not seen before in Denmark.

The terminology of freedom

Claus Olsen and Idamarie Svendsen (2003) have analysed the recent changes regarding transfer payments within the Danish welfare state and they concluded that all changes 'refer to what can be labelled "the terminology of freedom."' " This means that in comments to acts, government programmes etc. concepts such as self determination, personal development, resources, putting the individual at centre stage etc. are dominating. This is parallel to what Lone Moritz (2003) has indicated as a change from the family principle to the labour market principle within social assistance legislation. Earlier the focus was on a holistic approach where the situation of the individual was interpreted with reference to the environment in the form of family, labour market, housing etc. and where material and psychological dimensions were connected, and where the focus was more on the history and past of the client, the new focus is now more on the present and future situation emphasising labour market ability and willingness within a contractual perspective of tying help to certain benchmarks. Olsen and Svendsen (2003: 99) are very critical towards the contractual thinking which presupposes an equal relationship between client and social worker, which, of course, never has existed and never will. 'This kind of norms carries with it a risk of a down played, invisible and in principle unlimited power domination: through a dramatic and obscure number of legal rules, through lack of stipulation of limits for what is relevant the legal judgement, and through omission of relating to the reality (power, financial matters, security, distribution), substituted by a general consensus about the general, ethically loaded starting point.' They conclude that 'the ethical formulations and procedural rules may perhaps express a liberation of the individual for some, but simultaneously they seem to produce rules of control and sanctions towards others' (2003: 100).

Summarizing current developments

Within the framework of Peter Hall (1986, 1993) one can distinguish between first, second, and third order changes. First order changes refer to incremental and quantitative changes, e.g. a slight reduction or increase in benefit level, benefit period etc. Second order change refers to institutional changes, qualitative changes, e.g. changes of financing a scheme from public purse to social partner contributions or vice versa. A change of third order indicates changes of policy goals or policy objectives, e.g. when the intent of measures towards the unemployed change from providing for them while unemployed to make them employable through forced participation in

activation schemes.

As first order changes can be counted the fact that eligibility criteria have been strengthened with regard to unemployment insurance and early retirement pension; that social assistance has been cut dramatically for foreigners; and, as a consequence, that income inequalities have increased in the population.

Second order changes can be summarized under two headings: *individualisation, marketization and voluntarization*. Concerning individualization this runs through social legislation as indicated with the term: the terminology of freedom, e.g. parents now have a choice between public child care or child care allowance if they choose to stay at home minding their own children; and social assistance claimants are subjected to an individual action plan. Regarding marketization, many welfare services have been contracted out, e.g. they have tripled in Fredriksborg County since '97; more than 1 million Danes (out of five million) have taken out supplementary health insurance and supplementary unemployment insurance for middle and higher income groups have become available; and occupational pensions have spread to all segments of the labour market, which create a downward pressure on the public tier. Furthermore, more emphasis has been placed on voluntary organisations and volunteering. The government actively and financially supports voluntary charities and so-called volunteer centres where people who want to do voluntary work can meet the demands of NGOs for volunteers. When individualisation, marketization and voluntarization are added up the result is *pluralisation* and *polarization*.

Finally, one-third order change could be identified, namely the compulsory activation obligation, which has been implemented both within the social insurance and the social assistance schemes. The objective of unemployment insurance is no longer, primarily to provide income protection; now the focus is on employability enhancement by trying to change qualifications of the individual through mandatory schooling or job training.

Unfortunately, then, it is necessary to rephrase the formulation by Hans Kristensen commencing this section. He wrote: 'At the end of the day city politics and urban regeneration are all about the welfare of citizens.' Rather, current city and welfare policies are all about securing the well being of the integrated middle and upper classes through schemes and programmes that support their privileged positions on the one hand, and on the other hand by securing a 'cost efficient' reproduction of the marginalised and excluded through programmes and schemes targeted these segments.

Conclusion

It cannot readily be assumed that changes in general welfare state arrangements and particular changes in housing policy occur simultaneously or go in the same direction. But in the Danish case that has actually happened during the post WW II period. Welfare policies have become more individualized and programmes aiming at the poor have been much

more targeted. The same goes for housing policy, which is targeting so-called ethnic ghettos.

The comparison of housing policy and general welfare policy is, hence, in this case helpful in reconceptualizing the contemporary welfare state. An understanding of the Beveridgean welfare state as guided by the principle of universalism where social citizenship is granted to all residents and means the same for everyone is no longer an adequate view, if it ever was. The dualization and polarization of the housing sector and of housing policies are indicative of how the 'post-welfare state welfare state' is operating. In liquid modernity the welfare state is a dualized welfare state with one set of policies for the affluent majority of the integrated middle classes and another set of policies for the marginalised and excluded poor. Instead of preventing or combating processes of polarization, which was the promise of Marshall's social citizenship model, the contemporary welfare state supports and enhances processes of polarization. So, when Bauman characterized the contemporary welfare state as one dominated by uncertainty and risk this is correct for those living in the zones of assistance, the marginalised and the excluded, but for the integrated or affiliated majority of the population the principles of the golden years of trust and confidence may still prevail. This is the development, which he characterised as a move from the social state to the exclusionary state.

The concept of risk has risen to prominence in welfare discussion and the contemporary welfare state can be theorized as a dual welfare state which seeks to provide risk management of the marginalised and excluded and risk insurance to the integrated or affiliated. The latter has been conceptualized as the new prudentialism and sits well with the overall tendency of individualization and marketization.

Housing is, per definition, bound to space, and, thus only indirectly influenced by the increased mobility that otherwise characterises liquid modernity. However, anecdotal evidence from Denmark suggests that the new exterritorial elites are being supported by changes in housing policy. In Copenhagen, a change in housing regulation now allows ownership of expensive flats at the gentrified harbour front without taking up residence at the place. Until a few years ago it was impossible to own a flat and not register as resident.

Is housing policy (still) then the wobbly pillar under the welfare state? The analysis of recent changes in Denmark suggests that viewed against the ideal of a universal welfare structure promising a more equal and socially secure society for all citizens the pillar is indeed shaking. Unfortunately, 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. Furthermore, regarding the large majority of integrated and affiliated citizens contemporary welfare state governance does deliver a collective system of risk insurance and shared privileges. Under globalization, in liquid modernity, the welfare state has developed into a dual structure of an exclusionary state and a prudential state.

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¹ Research for this paper was done within the Center for Housing Research, Department of Sociology, University of Copenhagen. It is part of an international comparative study on *Security in the City*, directed by Jacques Donzelot, Paris. The other members of the Danish team are: Hans Thor Andersen, Department of Geography, University of Copenhagen. John Andersen, Anni Greve and Jesper Wisti Hansen, Department of Social Sciences, Roskilde University. I would like to thank the Danish team members for valuable discussions and comments on this issue. An earlier version of this paper was presented at the European Network for Housing Research International Conference, Reykjavik, Iceland, June 29th - July 3rd, 2005.

² ‘...the principles which we find in Scandinavian social legislation are closer to Lord Beveridge than to Chancellor Bismarck’ (Andersen 1979: 9).

³At this moment we live in a change from a vertical society, which we have grown used to name a class society with people on top and people at the bottom, to a horizontal society, where the important thing is to know whether one is at the centre or at the periphery...Today it is not about being ‘up or down’, but ‘in or out’ (my translation, pa).

⁴ Concerning this point Bauman is very close to Marx, as is evident from the following quotation: ‘All modernity means incessant, obsessive modernization (there is no modern *state* of modernity, only a *process*; modernity would cease being modernity the moment that the process ground to a halt); and *all* modernization consists in “disembedding,” “disencumbering,” “melting the solids” etc; in other words in dismantling the received structures or at least weakening their grip’ (Bauman, 2002: 4). Yet, he argues that the ‘melting the solids’, which Marx referred to, was only a means to an end: the establishment of new solids (Bauman, 2000: 3).

⁵ Further to Bauman’s take on the welfare state, see Abrahamson (2004).

⁶ Translation suggested by Hedvig Vestergaard (1999).

⁷ This sub-section and the next are taken from NN [Reference to be inserted after the reviewing process] (2006).