



RESPONDER
Linking SCP and Growth Debates



funded in FP7 - Project No. 265297

For a re-orientation of the housing sector



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Where is housing in the future social contract?
Leuven Institute for Ireland in Europe
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Housing Definition

Shelter, home, element of integration and recognition

Key economic sector: “if building goes well the economy goes well”

Key physical flow





- 1. Key social challenge:** housing fulfills many basic needs
- 2. Key sector of the economy:**
1.3 trillion euros of yearly turnover, and this sector is now in crisis
- 3. Key ecological challenge:** 40% of energy use, 56% of material flows, $\frac{1}{4}$ of water, 36% of CO₂ and 7% land uses (WITHOUT ACCOUNTING OF INDIRECT FLOWS)



Less people in larger houses in rich areas too!

The trend : lower occupancy of dwellings, unoccupied houses, larger floor space of the newly built stock.

Because of needs of larger spaces per person, because of houses used for investment/speculation

Still: there is enough space in the existing stock in EU-27

- 600m² per person of built area
- 40m² of dwelling

BUT badly allocated



- 1. Demographic post growth**
- 2. Economic post-growth**
- 3. Physical post-growth**



The different visions

- 1. Austerity (Neo-liberal)**
- 2. Stimulus (Keynesian)**
- 3. Beyond-growth**



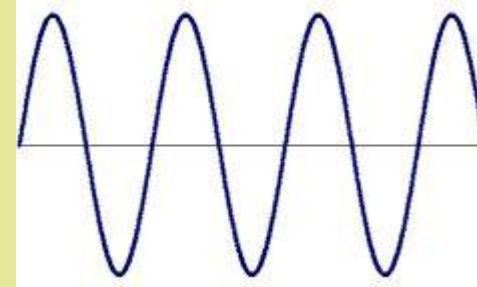
- 1. Repay the debts to create conditions for strong private investment and demand in the future for economic growth.**
- 2. Invest in housing with the state to recreate economic growth now.**
- 3. Beyond-growth: Increase of demand shall not be a goal. We need to create the conditions for a non-dependance on debts and economic growth.**



The housing crisis

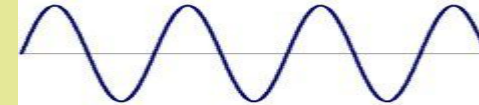
NEOLIBERAL AUSTERITY

The housing crisis is part of the business cycles and need to be lived through



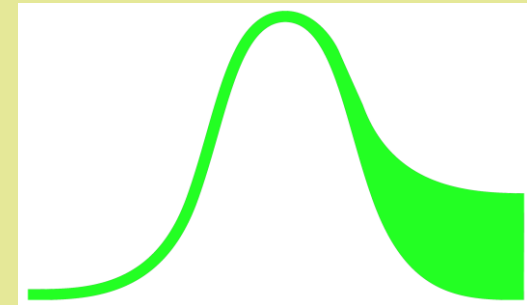
KEYNESIAN STIMULUS

We need to reduce the housing crisis with state intervention



BEYOND GROWTH

We are at a crossroad: use existing stock and give other values to housing



Growth in housing

Two aspects characterise growth in housing:

A - Series of limits need to be overpassed. If one limit remains, growth of urbanisation is not possible

B – There is a growth “vicious circle”: debts in housing bring the necessity of economic growth to pay those debts, ...

and generating economic growth requires investment in housing (making debts) !!!



A- Limits to growth in the housing sector

- Housing permits
- Availability of mortgages
- Demand for housing (it can be created by unfair allocation of housing, use of housing as status symbol, use of housing for investments)
- Supporting infrastructures
- Durability of houses
- Opposition to urbanisations and quarries
- (self-building using or reusing local resources)



The efficiency in housing

NEOLIBERALISM

Trust the private sector to develop a more productive housing sector



KEYNESIANISM

Green growth: state should support productive efficiency



BEYOND GROWTH

Frugal efficiency



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Required comfort and housing aspirations

NEOLIBERALISM

High-comfort housing should only be attained with more wealth.

KEYNESIANISM

Houses of a high enough standard should be socially accessible

BEYOND GROWTH

Houses as elements of social networking, conviviality, frugality and the good accessibility and not as status symbols.



Permits to build

NEOLIBERALISM

Urbanizing creates economic growth and is thus good for the economy, value of land may increase 1000 times by simple decree

KEYNESIANISM

Rights to build are given to the state

BEYOND GROWTH

New construction is not a priority, because numerous square meters of underused housing capacity are available in Europe, either in derelict, secondary/vacation, or large houses with few inhabitants.



Small, shared, reversible and forbidden



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Large, individual, non-reversible and allowed



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B-Growth “vicious circle”

DO WE FIGHT OBESITY BY BUYING LAGER PANTS?

THE NEOLIBERAL/AUSTERITY VICIOUS CIRCLE

- The high price of housing creates the necessity of large investments that leads to high indebtedness
- The indebtedness creates the necessity for creating high profits (added-value) by increasing the price of houses.



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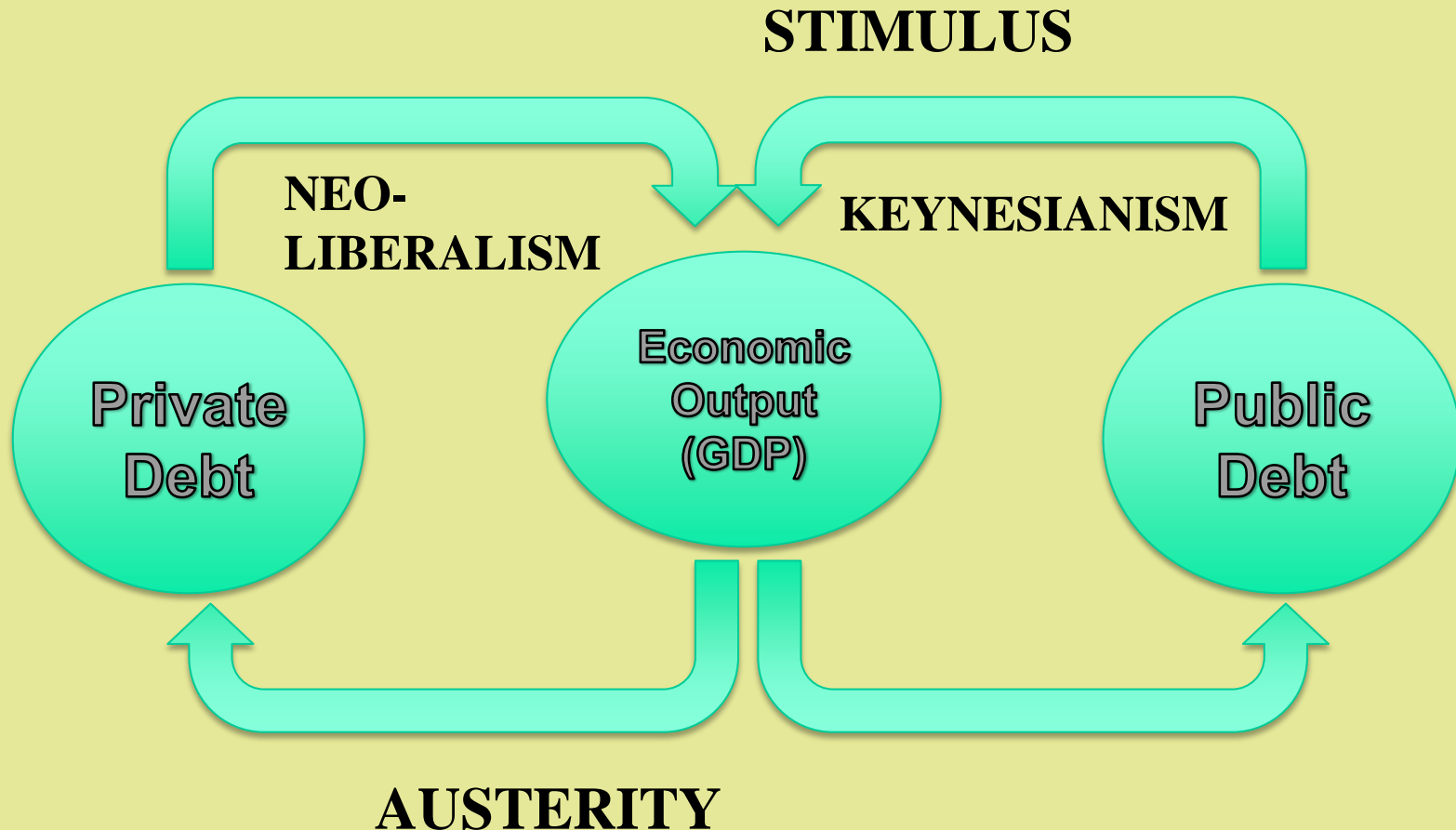
B-Growth “vicious circle”

THE KEYNESIAN VICIOUS CIRCLE

- Bringing economic growth requires strong investment of the state in civil engineering, in subsidies to housing which creates high indebtedness
- The indebtedness of the state creates the necessity of high economic outputs in housing in order to collect taxes to repay the state debts



The debt-growth-debt loops

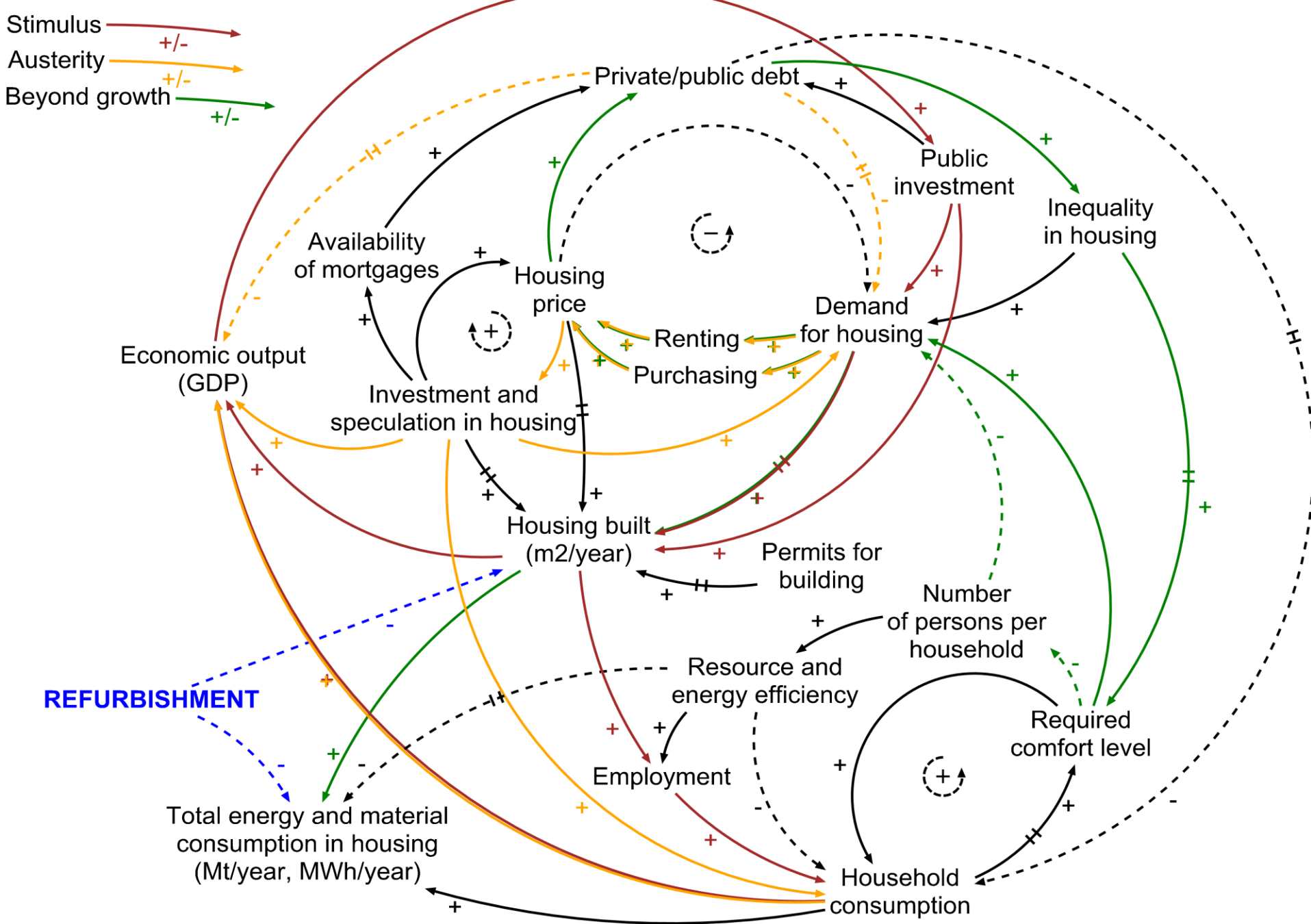


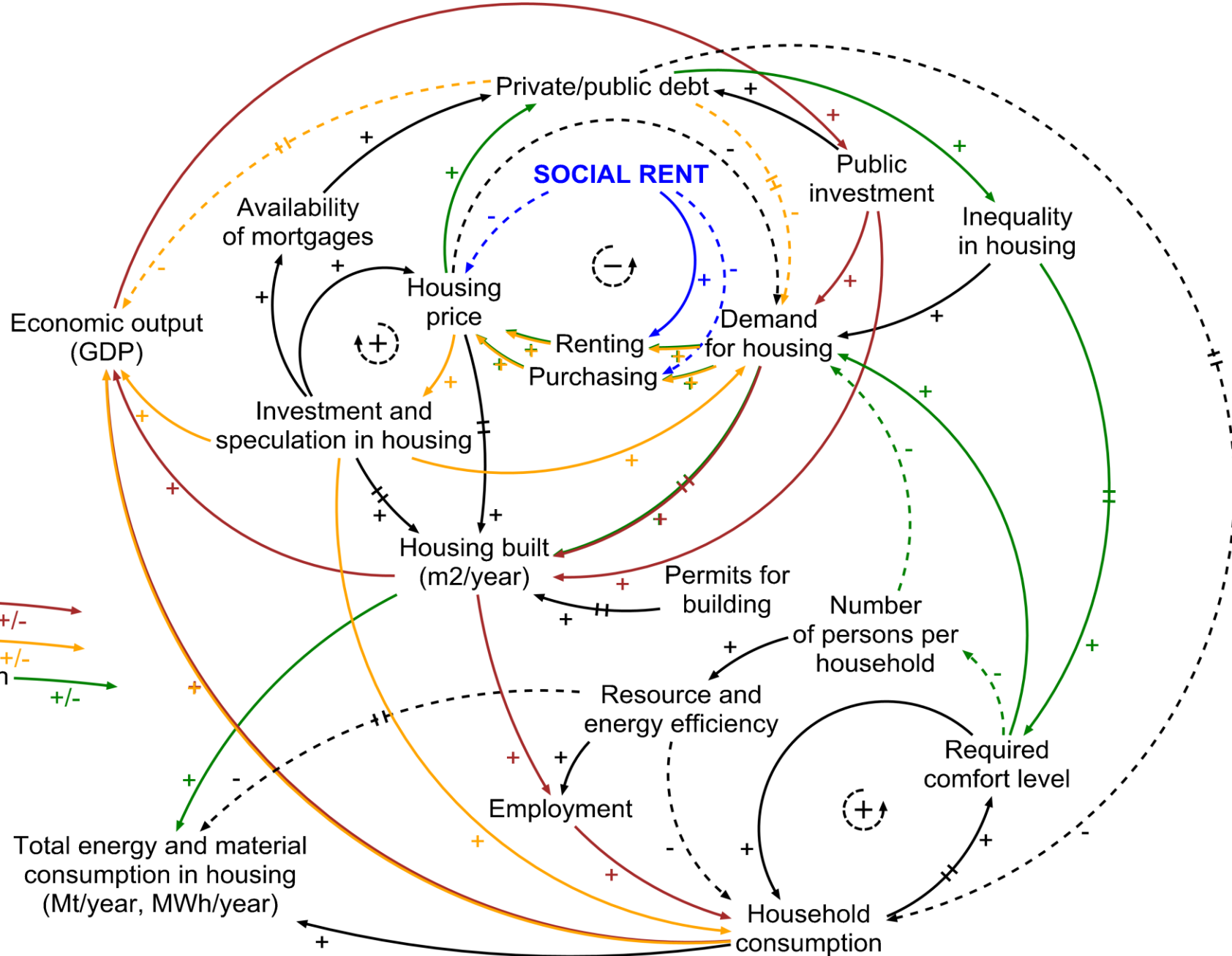
LEAVING THE DEBT-GROWTH LOOPS

For example:

- REDUCING STATE DEBT BY REDUCING INVESTMENTS IN LARGE AND USELESS HOUSING AND INFRASTRUCTURE PROJECTS
- REDUCING PRIVATE DEBT BY MAKING HOUSING ACCESSIBLE







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Summary and outlook

The housing sector could be an important area for re-orientation (leaving the „debt-growth-debt“ loops):

- Accept and combine limits to growth
- Making it small (small is beautiful)
- Reallocate housing well (fair housing)
- Reuse & Recycle





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