

HOUSING AND WELFARE IN CATALONIA, SPAIN

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Section 1: The current state of housing in the region

Catalonia, similar to the rest of Spain, is characterized as a homeownership society. The most recent official statistics (2011) state that 74% of the population are homeowners, 20% tenants and 2% live in social housing. Related to tenure status, the state of housing in Catalonia—the second wealthiest autonomous community in Spain—has undergone noteworthy shifts in the first decades of the twenty-first century. Housing production has swung from maximum to minimum historic levels, and a decade-long housing crisis has generated unprecedented levels of evictions and housing precarity. Policy change to somewhat buffer the latter has proceeded due to the pressure of highly-organized housing movements. This overview of the current state of housing in Catalonia illustrates a paradox: on the one hand, a region that adopted one of the most progressive tenancy laws in Europe and cooperative housing programme in Spain, on the other hand a region that reflects Spain's long history of producing homeowners and private housing while systematically undersupplying social housing.

Catalonia, like all 16 other autonomous communities in Spain, oversees housing, urban planning, social services, while the Spanish state retains a number of broader powers over housing policy, property rights and macro-economic policy. While many powers were devolved to Spanish autonomous communities in the transition to democracy (late 1970s), competencies are not always clear cut and vary by autonomous community, with many policy areas having shared or concurrent – and sometimes conflicting – powers between the central state and regions (Colin, 2008).

Currently, Catalonia's 2007 Right to Housing Act and 2014 Right to Housing Plan outline the regulatory framework for housing policy and implementation respectively for the region. The 2007 Act was adopted by a tripartite leftist coalition government that sought to address growing social inequalities in the region which were manifested in many sectors, including housing. While the Act was the first in Catalonia and Spain to attempt to ensure the right to housing by systematically linking land use law and housing, it failed to ensure this right was enforceable in the courts and thus not made effective (Mialot & Ponce, 2017). Despite promoting large-scale social housing programmes and creating a number of mechanisms to reduce social residential exclusion, the Act and its connected plan have been unable to meaningfully change the systemic political economic housing relations which favour homeownership.

In the post-1975 democratic period, housing production and housing finance for developers and households has been largely driven by market forces. As was the case in other autonomous communities, housing production in Catalonia—a region approximately the size of Belgium with a population of 7.5 million—reached its peak during the country’s 1997-2007 housing boom, during which in 2006 housing starts reached over 127,000 units. After plummeting to 3,036 in 2013, its lowest level during the democratic period, housing production stood at 15,000 units per year in 2021 (Catalan Institute of Statistics, 2022a). Most housing production is concentrated in the province of Barcelona, where nearly three-quarters of the Catalan population lives. Housing production in the past ten years has occurred in a context where 11.6% of Catalonia’s housing stock (448,356 units) were recorded in the 2011 Spanish census as being empty (i.e., unoccupied and not available for purchase or rent), and 12% as second homes. In 2020, the empty housing stock included at least 29,479 empty homes owned by financial entities that had benefited from the government bail out of the financial system in 2012 (Garcia, 2020).

Similar to the rest of Spain, Catalonia’s predominant social housing model is called officially protected housing (*vivienda de protección oficial*, VPO). VPO was created during the Franco dictatorship and traditionally operates as an owner occupier model. The state provides free or cheap land, contracts bank loans and provides developers and purchasers favourable financing conditions (Alberdi, 2014). In recent decades more rental VPO housing has been developed, with Catalonia holding the most VPO rental-based dwellings of all autonomous communities (Dol et al., 2017; Generalitat de Catalunya, 2022). However, as VPO rental and ownership housing makes up only 2% of total housing stock, social housing does not meet current needs and has long been systemically underproduced. About 5-6% of total housing production in Catalonia during the boom was social housing, with annual starts peaking at 9,000-10,000 between 2007 and 2009. This fell dramatically by 2013, with 678 VPO housing starts, increasing by 2021 to 2,615 units per year (Catalan Institute of Statistics, 2022b). Furthermore, VPO housing excludes the most vulnerable members of society because they do not meet minimum income eligibility requirements (Pareja Eastaway & Sánchez-Martínez, 2017). The chronic lack of social housing has led to increasing numbers of households squatting empty bank-owned housing or building informal housing on empty plots of land (Obra Social Barcelona, 2017; Rodríguez and Larios 2022).

Increasing housing precarity—deeply connected to the financialization of housing across Spain during the 1997-2007 housing boom and its reconfiguration in the post-2008 crisis period as detailed in section 2—has triggered various grassroots struggles for housing justice in the past decade. The 2008 financial-housing crisis led to an unprecedented avalanche of mortgage foreclosures and evictions, shifting in the post-2012 period largely to rental and squatting evictions. Between 2008-2017 over half a million evictions were executed across Spain, with Catalonia sitting at the top of all autonomous communities with 95,000 evictions (Observatori DESC, 2018). Mobilization and direct action from housing movements have succeeded in providing grassroots solutions to immediate housing needs and creating new housing rights legislation (García-Lamarca, 2017a; Palomera, 2018; Romanos, 2014). Noteworthy in Catalonia are the 24/2015 Law, addressing energy poverty and obliging large landlords to offer a social rent before evicting vulnerable households in case of non-payment, reinforced by the 2022 Anti-eviction Law, and the (now overturned) 2020 Rent Law. The latter was proposed in response to growing speculative investment in the rental sector and modifies the 2007 Right to Housing Law to control rents according to a reference index, applied in 61

municipalities across Catalonia assessed as having pressured housing markets (Sindicat de Llogateres, 2022). Despite securing some dimension of housing rights, the main challenge these laws face is from the Spanish Constitutional Court which often overturns regional housing laws on the basis of claims of territorial inequality – indeed the 2020 Rent Law was overturned in early 2022. Furthermore, despite these laws and despite a temporary eviction ban decreed by the state due to the Covid-19 pandemic, in 2020 around 30 households were evicted across Catalonia every day (Garcia, 2020; Caro, 2021).

Finally, in recent years cooperative housing has become a small albeit noticeable phenomenon in Catalonia and the Barcelona area in particular (Larsen, 2019). It has grown as a way to diversify social housing tenure away from the mortgage vs rental VPO binary and generate more democratic and sustainable housing options, with the most common structure being right-of-use housing cooperatives built on municipally-owned land. While questions of access and affordability are rife, this model has the potential to create non-speculative, use value-oriented housing, a form of housing commons that can meet collective welfare needs (Buil, 2019).

Section 2: A brief overview of the historical development of the housing regime

Spain's housing regime underwent a significant transformation in the second half of the twentieth century. Over half of the country's population were tenants in the 1950s—a tenure that characterized up to 95% of households in Madrid and Barcelona—while by the turn of the twenty-first century over 85% were homeowners. Housing production also changed dramatically during this period. The ravages of the Spanish Civil War (1936-1939) left Spain with poor quality housing that was in short supply, but housing production between 1960-2010 almost tripled population increase during the same period. This left Spain with the largest quantity of second and empty homes in Europe by 2011. This section—focusing largely on the Spanish state since Catalonia didn't have housing-related competencies until the post-democratic period—outlines these key periods of housing regime transformation. It shows how institutional, legal and changes made private market housing production and a homeownership-oriented model flourish.

Building a country of homeowners, not proletariats: housing as a problem and an opportunity

The Spanish Civil War (1936-1939) unleashed destruction that worsened already poor housing conditions across the country, especially since Housing Acts previous to this period did not address the massive housing shortages for working-class households (Tatjer, 2005). As the decades passed, working-class households were increasingly leaving southern Spain to industrializing cities in Catalonia and the Basque Country, driven by poverty, hunger, the promise of a better life and political exile or repression. In Catalonia's growing industrial cities, largely in the Barcelona metropolitan area, overcrowded sublet rooms, self-built shacks or in some cases even caves were often the only housing option for many of the tens of thousands of immigrants arriving in the mid-1940s onwards (De Andres Creus, 2011; Masjuan, 2010).

The Franco dictatorship (1939-1975) saw the housing situation as both a problem and an opportunity. The problem was constituted by the so-called “mass of second-class Spaniards” (Maestrojuan, 1997: 174) that were seen as generating social dangers to the dictatorship's

stability. The solution was creating policies to address the housing shortage that built a nation of Christian, Spanish homeowners, put women in their “place” at home, and established the growth conditions for a professional real estate development sector allied with the dictatorship (García-Lamarca, 2022). The first Ministry of Housing was created in 1957, led by the Falangist José Luis Arrese who declared war on slums and subleasing as particularly rampant hotbeds for immoral, proletarian thought and action. The Ministry’s deep-seated belief in homeownership was reflected in Arrese’s famous first official speech: “we want a country of homeowners, not proletarians.”

During Spain’s developmentalist period in the 1960s, when the economy began to open up to foreign capital investment, residential construction started to become an economic motor and building a country of homeowners became possible. The 1960 Horizontal Property Act was an important piece of legislation that enabled the sale of individual apartments within a building, established with the prime objective of encouraging tenants to purchase property (Betrán Abadía, 2002). Private initiatives to construct state-subsidized housing (VPO), legislated in 1963 and regulated in 1968, also grew as the state enabled access to mortgage credit especially through the Spanish Mortgage Bank (BHE), facilitated legal processes for developers to obtain land, and provided financial help for construction. These public interventions attempting to deal with rapid urbanization, provide public housing, and meet demands from a booming tourist industry spurred Spain’s first housing boom from 1969-1974 (Charnock et al., 2014). While working-class housing demand was made more profitable for private developers during this period, the scale of production was unable to provide housing for the poorest of the working class (Tatjer, 2005).

From state to market rule: housing, land, and finance in democratic Spain

Franco’s death in 1975 led to the end of the nearly 40-year dictatorship, one of the longest in Europe, and inaugurated a return to democracy in Spain. Policies addressing residential housing, land use and mortgage finance were the three axes that reconfigured the housing regime in this period (López & Rodríguez, 2010), following a neoliberal logic that was growing across Europe and much of the Global North at the time.

State-level policies adopted to regulate housing across Spain in the 1980s and 1990s reinforced homeownership as a dominant tenure. The 1985 Boyer Decree eliminated rent control and tenant protection clauses in all new rental lease contracts, but this did not spur a fall in rental prices nor an increase in rental housing supply as intended (Pareja Eastaway & San Marín Varo, 2002). House purchase was encouraged by making both mortgage principal and interest payments tax-deductible. From 1985 to 1989 this included both main *and* second residences, contributing to Spain’s second short but intense housing boom (1985-1992) upon joining the European Economic Community (EEC) in 1986 (García Montalvo, 2003). Thus it was largely the socially excluded and lowest income earners who rented, mainly because they were unable to purchase property (Trilla, 2014a). Housing plans in the 1980s left out the lowest income segments of the population as VPO housing was captured by higher income groups due to a combination of economic crisis, anti-inflationist policy and high interest rates (Rodríguez Alonso, 2004). In sum, housing policies failed to provide accessible and affordable housing for all, as rental legislation, tax incentives, and Housing Plans encouraged homeownership.

In terms of land use, ideas around economic liberalization began to penetrate Spain and its urban planning and land use institutions after joining the EEC in 1986. The original 1956 Land

Act, which regulated urban expansion, was changed in 1998 to redefine concepts of 'developable' and 'non-developable' land, with the latter opened up to extend the potential of urban development to all land across the country (Puig Gómez, 2011). The notion of the social function of ownership—present in previous iterations of the Land Act, where the public determination of different land classifications controlled landowners' right to build—was thus removed from planning obligations, and private land ownership came to operate at the core of the urban development process (Roca Cladera & Burns, 2000). Through their devolved competencies, Catalonia adopted the 2/2002 Act in lieu of the 1998 Land Act to control urban planning and regulate housing development. While local governments were enabled to make building permission contingent on land owners' ceding a proportion of their land for public use, extremely attractive profit margins during the housing boom meant that most municipalities sold this land to developers or leased it for private use. Despite having a majority in Parliament, attempts from the Catalan leftist coalition government in power during the 2000s to reduce land speculation, foster the rental market, and curb skyrocketing housing prices during the boom were ultimately unsuccessful due to the magnitude of the profits to be made by the private sector and taxes collected by the public sector. In terms of the latter, in 2004 alone local land and building tax revenues generated over €9 billion for municipalities across Spain (Pou, 2007).

Finally, liberalizing Spanish housing finance systems in the 1980s was critical in enabling the credit explosion in the 2000s. Until 1980, channels to finance housing production in Spain were publicly controlled. Consumer mortgages were provided either by the public Spanish Mortgage Bank (BHE), an entity absorbed into a larger public bank called Argentaria in 1991 then progressively privatized until it was absorbed into the private bank BBVA in 1999, or local savings banks. The 1981 Mortgage Market Regulation Act deregulated access to finance by enabling the entrance of private operators, privatizing public financing avenues, and building a deeper integration of financial and mortgage markets (Alberdi, 1997). It also established the financial infrastructure to securitize debt through covered bonds, with the 1992 Securitization Vehicles Act created the legal basis for Spanish residential mortgage-backed securities (RMBS) (Nasarre-Aznar, 2002). Finally, the geographical deregulation of local savings banks in the 1990s led to their spectacular growth in offices and personnel, with the best way to make quick money being mortgage and development loans.

Spain's 1997-2008 financialized housing boom and post-2008 crisis

As Spain became more integrated into the EEC, falling interest rates and the adoption of the euro combined with neoliberalized housing, land and finance-related legislation to unleash the country's "urbanization tsunami" (Fernández Durán, 2006). In a decade, one quarter of Spain's land area was paved over and built upon, with the country proudly becoming the European leader in cement consumption and fifth in the world after China, India, the US, and Japan (Naredo et al., 2008). House prices skyrocketed from €720 per square metre in 1997 to a peak of €2,100 per square metre in 2008 and the country's total housing stock increased by almost six million units. At its peak, this was more than the housing production in Italy, France, and Germany combined (López & Rodríguez, 2011). Spanish financial entities granted at least one million mortgages to vulnerable segments of society between 2003 and 2007, with a securitized volume reaching €49.9 billion or 20.7% of the total volume of residential mortgage-backed securities (RMBS) issued in the country from 2003-2008 (Ezcurra Pérez, 2012). Housing production ultimately almost tripled population growth, and the

dictatorship’s desire to create a nation of homeowners (see Table 1) and for construction to act as a growth axis was finally realized.

	SPAIN				
	1950	1960	1980	2000	2017
Home ownership	45.9	51.9	73.1	80.7	76.7
Private Rented	51.2	43.0	20.8	11.0	19
Public/Social rented	2.9	1.9	3.0	2.0	2.0

Figure 1. Table of tenures in Spain, by household, 1945-2017

(Source: Rodríguez Alonso (2004). 2017 data from INE Life Conditions Survey)

The burst of the housing boom in 2008 generated mass unemployment, plummeting housing prices and a socio-economic crisis unseen in democratic Spain. As foreclosures and evictions grew, the state prioritized saving the financial sector through tens of billions of euros in public funds and reconfiguring the real estate sector as a place for foreign investment in rental properties (García-Lamarca, 2021). Recent housing policy and plans have not been able to stem the over half a million registered evictions that have taken place across Spain from 2008 to 2017 and housing precarity being experienced especially in larger cities in Catalonia and across Spain.

Section 3: The welfare regime and its development

Similar to the development of the housing regime, the incremental development of Spain and Catalonia’s welfare regime also reflected the shift from dictatorship to democracy. A corporatist (Esping-Andersen, 1990), authoritarian welfare regime best characterizes the Franco dictatorship, with primary roles for the Fascist-Catholic state-church alliance and the family, especially the patriarchal vision that charged women with social reproduction chores in the home. Responding to internal social demands and European political and socio-economic pressures, Spain’s welfare regime attempted to move closer to European standards during the transition to democracy (Gallego et al., 2005). During the democratic transition welfare policy competencies like health care, education, social services, unemployment benefits and pensions were largely decentralized to autonomous communities, with this process being asymmetrical and complex between regions (ibid.). The subsequent sections outline these changes focusing on the role of different actors in welfare provision, the marketization of individual welfare and questions of social stratification.

Authoritarian, paternalist and corporatist welfare regime: the Franco dictatorship

Although there is a part of Spaniards’ collective imaginary that identifies the Franco dictatorship as providing the first great push to Spain’s modern welfare regime, a newer generation of historians point to the exaggerated nature of these claims and suggest a much more complex reality (González Madrid & Ortiz Heras, 2018). In the first decade of the dictatorship, state-driven welfare actions were focused on creating a “productive” society with men and women in their “correct” places. For example, the Family Subsidy (1938) supplemented paltry incomes and disincentivized women from working outside the home,

whilst the introduction of Statutory Sickness Insurance (1942) aimed to enable workers to return to work as soon as possible to support the national economy (Arriba & Moreno, 2005; Moreno, 2020). Public support for those not engaged in paid labor was delivered through charity in a paternalistic fashion, with private organizations affiliated with the Catholic Church delivering poverty alleviation programmes (ibid.). Beyond propaganda, of which there was much, González Madrid and Ortiz Heras (2018) argue that the Franco regime barely developed a compulsory social security system. The nascent system was primarily supported by the individual savings of the weakest workers and some token contributions by the state, with subsequent iterations in the 1960s expanding and consolidating the existing model. Thus, welfare was reliant mostly on the family with some minor support from the state and the church who actively sought to reinstall a patriarchal, family-based social order.

The first truly welfarist-oriented interventions in housing under the dictatorship happened when capital began to flow into Spain in the late 1950s and early 1960s, during Spain's developmentalist period. The Ministry of Housing adopted three Social Urgency Plans for Madrid (1957), Barcelona (1958) and the Basque Country (1959) to encourage private capital to collaborate in providing state-subsidized, privately-owned housing for the increasing influx of working-class migrants from southern Spain to these cities (Betrán Abadía, 2002; López Simón, 2018). By 1970, the state financed 180 public working-class housing estates across 15,000 hectares as per the 1961-1976 National Housing Plan, with the number of housing units per estate ranging from 500 to 10,000 (Capel, 1975). However, most of these housing estates were of poor quality, peripherally located and lacking infrastructure and services, leading some to dub them 'vertical shanties' (De Andres Creus, 2011). The most social housing ever produced in Spain was built in the 1960s-1970s: peaking at close to 250,000 units in 1965 and from 1971-1975 reaching nearly 200,000 units per year (Trilla, 2014a).

Welfare expansion and deregulation in democratic Spain and Catalonia post 1975

As the dictatorship (1939-1975) coincided with the maximum expansion of the welfare state across Western Europe (Moreno, 2020), Spain had a fair bit of "catching up" to do in the transition to democracy. The latter developed under the notion of modernization and Europeanization, which under social democrats led to a growth of social support services but also the liberalization of welfare provision (Lessenich, 1996). Spain's integration into the EEC in 1986 pushed the country to follow a pattern of welfare convergence with its European counterparts as social entitlements became more generalized, welfare expenditure increased and social service provision was diversified to private and third-sector organizations (Arriba and Moreno, 2005). A system was established where social protection schemes are accessed either through participation in the formal labor market—a form of social insurance whereby a worker's contribution to social security makes them eligible for unemployment payments, sickness benefits, pensions and other types of support—or people's territorial residence status, upon which universalist schemes like education and health care are based. The state plays a minor and insufficient role in social assistance, especially in comparison to other European countries, meaning that familial-based systems of assistance prevail (Gallego et al., 2005).

Despite post-1977 policies aiming for greater universalization of social security, social spending only rose to 8.6% of GDP, in contrast to countries such as France and Germany which spent almost one quarter of their GDP on welfare provision (Moreno, 2020). Overall, the weak corporatist welfare arrangements characterizing the Franco dictatorship period eased reforms towards universalism in health care and education in the 1980s and recalibration in the 1990s, but welfare's inherently conservative and family-based character has meant an insufficient expansion of care policies and social assistance (Guillén & León, 2016). Ultimately, some strong universal elements were built at the same time that social assistance was underdeveloped and successive waves of labor deregulation have taken place, normalizing precarious labor conditions and familial dependence (Gallego et al., 2005).

Since the 1980s, Catalonia has overseen many devolved welfare-related competencies including health care, education and housing. The state has gradually reduced its role in housing policy during the democratic period providing the market with a greater role through what has been dubbed 'debtfare' (Soederberg, 2014), referring to individual welfare provision through indebtedness. The two Spanish government social housing programmes in the 1990s continued to encourage low- to middle-income households to become owner-occupiers through VPO as well as a new scheme called Housing under Controlled Prices (VPT). The latter provided public loans according to the weighted family income to purchase a new or secondhand main dwelling as long as met certain size, use and price requirements (Pareja Eastaway & San Martin, 1999). Mortgage indebtedness became especially acute during the 1997-2007 housing boom, where the European Mortgage Federation reported that outstanding mortgage debt in Spain increased over fourfold, from €154.5 billion in 1999 to €674 billion in 2008.

Starting in the 1990s, Spain saw an historically unprecedented growth in immigration: immigrants represented 2% of Spain's population in 1999 and 12% in the 2011 census. The fact that many non-European immigrants went to Spain to work in temporary and poorly paid construction and service sectors means that the duration and quantity of social security support is limited when unemployment strikes (Bruquetas Callejo & Moreno Fuentes, 2015). Work in the informal economy is widespread compared to other European countries, and is the only option for undocumented immigrants, meaning that they are necessarily excluded from employment benefits. Due to the general lack of welfare provision in terms of housing, non-European immigrants to Spain in particular are heavily impacted due to racism in the rental sector and face high rental or mortgage payments, among other things (Provivienda 2020; *ibid.*).

The bursting of the 1997-2007 real estate bubble and the subsequent rapid rise of public debt—largely to rescue the financial system—as well as massive unemployment and increased poverty has put great strain on welfare systems across Spain, and has generated calls for the improvement of welfare coverage and provision. As Dol et al. (2017) note, the absence of support mechanisms for troubled households unable to pay for their housing forced them to turn to family, friends, social movements, or non-profit organizations for assistance.

Section 4: The interrelation between housing and welfare

Despite the intent and range of proposals in Spanish and Catalan housing policy to ameliorate the conditions of households, housing remains an extremely weak component of the welfare state in general (Gallego et al., 2005). Housing has been characterized as the weakest and most vulnerable dimension of the Spanish welfare state (Gomà, 2003), and indeed it could be argued that housing does not even truly form part of the welfare state. Various governments have had aspirations to provide public housing for populations in need, and thus establish a support system and expand the welfare regime, but both Catalonia and Spain have largely failed in turning this aspiration into practice. This reality is reflected today not only in the chronic lack of social housing but also in total public expenditure on social housing: just 0.1% in Catalonia and Spain (Bosch & Trilla, 2021). Aside from reduced eligibility, the limited national programmes to provide public subsidies to low-income tenants in market rental housing and other government support services do not address existing social stratification or other structural housing access problems, but rather provide insufficient sticking plaster solutions.

The relation between housing and Spain's wider welfare regime has not changed dramatically over time. Perhaps ironically, it was during the latter part of the Franco dictatorship (1960s-1970s) that the highest levels of state housing support existed. This however took the form of subsidized mortgaged homeownership which used public subsidies to make privately-owned housing, meaning that dwellings did not become part of long-term collective welfare provision. State intervention in housing during this period arguably had the largest historic impact in reducing social stratification with regard to housing—in the sense of bringing swathes of working-class people into an ostensibly “middle class” homeowner category—but the lowest income populations not eligible for VPO housing remained in the market-based rental sector, unable to “build wealth” and achieve housing stability through housing investment like their wealthier counterparts. This became a serious problem post 1985 when rent controls and tenant rights were eliminated, leaving tenants with little to no legal protection against exploitation through the rental sector. The state-sanctioned 1990-2000s debt-driven model of housing provision appeared to reduce social stratification as increasing numbers of people accessed homeownership and ostensibly saw their wealth rise as their home increased in value, but the crisis has illustrated how such a ‘debtfare’ approach (Soederberg, 2014) to welfare is fundamentally unsustainable and has ultimately deepened social inequality (García-Lamarca, 2022).

Housing plans and policies up until the 2008 crisis have further reinforced private homeownership, and recent attempts to address social housing provision are insufficient. In this light the market has long been the most important player in housing provision for a range of social groups, with low-income groups being relegated to the rental sector—and since the 2008 crisis in more extreme cases forced to squat bank-owned housing with or without the support of social movements (Obra Social Barcelona, 2017). This is often households' only option because so-called ‘emergency’ housing mechanisms in most cities are unable to temporarily rehouse evicted households in a timely fashion: in Barcelona, the waiting time to be rehoused is over two years, with more than 600 families on the waiting list (Habitatge, 2021).

Thus, despite the fact that article 47 of the Spanish constitution enshrines the right to decent and adequate housing, the latter exists as a market commodity rather than a social right. This is also true in Catalonia, where it is telling that an article excluded from the Right to Housing Act due to lack of consensus was one that would have changed the notion of housing as a

good for exclusive use and individual enjoyment to one of collective interest (Trilla, 2009). In the Spanish and Catalan case, it is clear that housing only becomes a social right through the active struggles of housing movements pushing for legal changes and taking direct action to block evictions, occupy banks for debt forgiveness or occupy empty housing owned by financial entities. New Catalan legal frameworks controlling rent and obliging large property owners to rehouse households facing eviction, among other elements that seek to ensure housing rights, have provided a bit more protection to the most vulnerable households, but these hard-won legal gains are unevenly implemented and are constantly at risk of being overturned by the Spanish Constitutional Court.

The emerging interest in cooperative housing in Catalonia within the VPO framework is in this light quite promising, as it can greatly contribute to long-term, transferrable and collective welfare provision. During the 2010s, the La Borda cooperative housing project successfully pressured the city of Barcelona to cede municipally owned land slated for rental- or mortgage-based VPO housing production to the cooperative through a right-of-use agreement, and complex and arduous financing arrangements from the social and solidarity economy was finally secured to develop the building (Buil, 2019). Under the leftist municipal government in power since 2015 that emerged in part from housing movements, the right-of-use cooperative housing model has been embraced through several rounds of VPO cooperative housing competitions in Barcelona and increasingly across Catalonia (Avilla-Royo et al., 2021).

Section 5: Regional outlook (1000 words)

Spain, and Catalonia, are often grouped into what is termed a Mediterranean welfare model, proposed as a fourth model outside of Esping-Andersen's (1990) tripartite characterization of the welfare state. This characterization emerged from a range of scholars who felt that Southern European countries had distinct dimensions that made them not quite "fit" in the Esping-Andersen model (Guillén and León, 2011). Considering the welfare realities of Spain, Portugal, Italy and Greece, this model involves the combination of insurance schemes and universal programmes with a strong role for the family. There are many historical parallels between Southern European countries that point to why welfare regimes have developed in a similar pattern: later industrialization patterns in comparison to northern Europe; the existence of authoritarian dictatorships until the 1970s in Portugal, Greece and Spain; and the creation of welfare structures that predated democracies and thus had no civil society participation, to name a few (Andreotti et al., 2001). Furthermore, the Southern European modus operandi when addressing immigration and housing tends to focus on area-based urban programmes and emergency policies rather than comprehensive forward-thinking policies that reshape broader systems and redistributive welfare arrangements (Arbaci, 2008). Spain and Catalonia echo several realities of the regional characterization of housing in relation to the welfare state such as marginal social expenditures on housing, a very small social rental housing stock, relatively high levels of homeownership and a poorly protected rental sector.

In terms of the last two tenure categories, Spain arguably does stand slightly apart in its predominance of homeownership and extremely poor protection of tenants, the 2020 Catalan Rental Law excepted. The Spanish state's ideological and material drive for homeownership was also remarkably strong compared to other Southern European countries. Similarly, the restructuring and expansion of mortgage financing in the 1980s was much

deeper than in other southern European countries, and enabled greater levels of indebtedness and thus “individualized” forms of market-based welfare provision. This is reflected in Spain’s notably higher level of residential mortgage debt per capita during the housing boom: according to the European Mortgage Federation, in 2008 Spain had rates nearly three times greater than Greece and Italy, and 50% more than Portugal. Another difference between countries in the region is that self-built housing was relatively more significant in Italy, Greece and Portugal than in Spain. The Spanish promotion of private real estate development has been attributed to stronger institutionalized connections between developers and systems of urban land release and strategic restructuring of mortgage system in 1980s (Allen et al., 2004), building from historically strong relationships between private developers and the dictatorial regime.

A one size fits all Southern European model, however, is also complicated by marked internal regional differences. Within Spain, Gallego et al. (2003) argue that the Basque Country deviates most from the Spanish ‘familial’ welfare model through a more public-communitarian focus due to the active role of government and a strong tradition of corporatism; it is also the autonomous community with the highest social spending and lowest unemployment levels. Catalonia in turn is described by as a market-communitarian model as the private market plays a larger role in welfare provision compared to other regions (ibid.). Dol et al. (2017) consider the intersection between the regionalization of housing and welfare, unpacking the differences between the responses to the 2008 financial-housing crisis in the Basque Country, Andalusia and Catalonia. While the authors underline that regional housing crisis interventions do not fit seamlessly into regional welfare variations described by Gallego et al. (2003), the Basque Country is the region that “has committed itself most strongly to building a somewhat less risky housing system” (p. 594). They also underline the need to account for organized housing movements that have pushed different autonomous communities to take action, which has provided some respite, albeit it limited.

Section 6: Concluding discussion

This chapter has underlined the insufficient and largely absent role of housing in the Catalan, and Spanish, welfare regime and the impacts this reality has had on housing affordability and security. The supposed constitutional and regional right to decent and adequate housing does not exist in practice, and the strength and predominance of market-based private real estate development ensures that housing exists primarily as a tool for economic growth and investment rather than a process that supports vulnerable households and meets collective welfare needs by providing affordable homes.

The foundation for much of Catalonia’s and Spain’s missing housing dimensions within welfare regimes is connected to the historic fostering of owner occupation and its implications. From past to present, this has meant that the rental sector has long been insufficiently protected and supported, and that social housing has been systematically underproduced. Furthermore, and ironically, the predominant homeownership VPO social housing provision model has served to generate individual rather than collective wealth-building, where the latter is critical in its ability to contribute to and strengthen the welfare state. Perhaps because such a large proportion of the Catalan/Spanish population are homeowners, households focus on the investment value of housing over its use value, since—once paid—housing brings household wealth and security in the medium to long term (Trilla,

2009), a reality backed by the long political economic push to create a nation of homeowners. Yet, as Trilla (2014b) notes, since housing currently as a source of inequality and social exclusion within the Spanish welfare state, how can this reality be addressed in a system of free market housing production, free market financing and free market pricing? Inspired by Arbaci (2008), the important question here is: how can forward-thinking approaches to housing in the context of collective welfare provision confront and attempt to transform this market-based housing provision chain?

Extending and mainstreaming some promising initiatives underway is a good place to start. First, is for the state to take decisive action to win a battle long demanded by housing movements: to turn empty housing owned by banks benefitting from publicly funded rescue of the financial system into social housing (García-Lamarca, 2017b). The most logical place to intervene now is in Spain's "bad bank", the SAREB (Byrne, 2016), a 45% publicly owned asset management company created in 2012 to manage the so-called toxic assets (failed debt and housing) owned by banks who were rescued with €52 billion. While tasked with a goal of selling its assets at a profit by 2027, in early 2022 it emerged that the SAREB would become 100% publicly owned and its €35 billion debt would become public debt (Vargas Martín, 2022). This is the moment to turn the remaining existing housing held by the SAREB and publicly rescued banks into social housing.

Another action could be to extend public support for right-of-using housing cooperatives in order to expand a non-speculative model of housing provision, especially for VPO housing but also for middle-class housing alternatives. At the moment, one of the most significant barriers in the limited Catalan experience to date has been the financial deposits required by households to access a cooperative: this can be up to 30,000 euros, an amount that many working-class households cannot afford. Public subsidies could help cover part of this cost; indeed it is a far superior option to subsidizing mortgage-based VPOs where the property ultimately becomes private rather than public property. More training and capacity-building support is also required to diversify participation in cooperative housing projects beyond white Spanish populations with medium-high levels of formal education. Further exploration of turning bank-owned housing squatted by households with no housing alternatives in collaboration with housing movements into right-of-use housing cooperatives is another emerging avenue to explore, providing security of tenure and shifting more housing into the social sphere. Finally, the development of middle-income cooperative housing projects, which could take place on privately-owned land, could be an important step to consider shifting the housing development model more broadly away from a speculative investment-based approach to a one grounded in a vision of collective and transferrable welfare provision. All of these options require the state to step up and take decisive action to ensure a transformation in housing production and provision that prioritizes collective societal needs, especially for marginalized populations over those of individuals.

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