

# Urban Planning in the Welfare State: Examining Socio-Spatial Relations in Public Policy

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## Abstract

*In recent time, urban planning has received increased attention from academia as well as public policy. Though not a part of traditional welfare policy per se, the field of urban planning share much of the values underpinning social welfare policy. Like social welfare, the urban environment is a public good regulated and funded by public finances and interventions aims at increasing well-being in the population. Though welfare- and urban policy is separate fields of regulations, welfare policy is influencing the urban and spatial policy, and in turn spatial policy change the prerequisites of social welfare. Using Copenhagen, the capital of Denmark as case city, I wish to examine the relations between welfare policies and urban policies in the context of the Nordic welfare state. The paper will further discuss how socio-spatial relations is embedded in the ongoing transformation of the welfare state and to what extent urban planning influence welfare policies.*

**Keywords:** welfare, urban policy, segregation, Copenhagen.

## I. INTRODUCTION

In this paper I wish to examine the relationship between welfare policies and urban planning. Like social welfare, the urban environment is a public good regulated and funded by public finances and interventions aims at increasing well-being in the population. Although urban planning operates on local scale and welfare policies on a national scale, they are inter-

connected through direct and indirect mechanisms and it is interwoven with public policy in many ways. In the words of Le Galès, "Urban policies are part of the complex cross-boundaried, crosssectored world of public policies and should be analyzed in those terms." (Le Galès 2005:240).

In terms of welfare state models, the Nordic countries are often highlighted as an ideal type of the comprehensive

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welfare state. A comprehensive welfare state as found in the Nordic countries is of course not isolated from the influence of the market or other factors of society but with a history of a strong welfare state, welfare policies have had an extended influence on policy formation in the society. For this investigation, Copenhagen, the capital of Denmark is chosen as a case city. An analysis of the relationship between the welfare state and urban planning will of course always be sensitive to the particular state model. However, with the many similarities between the Nordic welfare states, particular policies examined here are likely to find counterparts in its sister countries.

To explore the relationship between urban planning and welfare state policies in Denmark, the development of Copenhagen in relation to its urban planning will be reviewed in the following. Hereafter section III examines the relevant spatial policies, in connection to the welfare state. Before the concluding remarks, the relation between the transformation of the welfare state and the spatial policies of Copenhagen will be discussed in section IV.

## II. DEVELOPMENT OF SPATIAL POLICIES

Spatial planning in Europe, has since the second world war, evolved from predominantly Keynesian spatial policies of equity, to a neoliberal regime of competition between localities, on a national as well as international

scale (Brenner 2009). This development did not only take place on the local scale of city-regions, it has also shaped the spatial hierarchies of governance. From the 1940s the strategic planning of city-regions in the western world, focused on rebuilding of the cities and economic growth. In the 1950s, the city development was actively promoted by governmental institutions with municipality government concentrating on development of the inner city (Salet 2007). However national policies were not centre orientated. On a national scale, spatial policies were characterised by ideals of spatial equity with resource distribution from economic strong regions to the periphery (Brenner 2009). Deploying Keynesian spatial policy, public led investment continued to dominate the urban spatial policy during the 60s and early 70s. However during this period, social issues had taken a central place in the planning, including regional and local planning (Salet 2007).

### II. i. The Case of Copenhagen

In the case of Copenhagen, a pattern of flight and resettlement of middle and high income citizens can be observed from the 1970s and onwards. As pointed out by Andersen and Winther (2010), the municipality of Copenhagen experienced financial problems following the oil crisis of the 1970s. A mix of resettlement of industries and jobs to outskirts municipalities, and poor housing quality in the city, contributed to a large resettlement of middle and high income

families in the 1980s. This led to a demography of Copenhagen with a large segment of the population entitled to public subsidies (students, retired etc.) and a low tax revenue (Ibid.). To turn the development around the state intervened, not only with loans to the municipality but large infrastructure developments, such as the Øresund fixed link and the metro of Copenhagen, was commenced to boost the economy of the region (Ibid., Øresundsbro konsortiet 2008, Transportministeriet 1992). This development brought back jobs, and the middle and high income families, and with it a growth in tax revenue. This was however also accompanied by a neoliberal turn in governance. Public private partnerships and closed networks of non-elected actors dominated the administration and developments of the spatial developments of the city (Ibid.). In the 1990s the development of the Ørestaden, a new city district and the metro line was done by Øresundsselskabet (the later "By og havn"), a company made for the occasion with a board appointed by the state and the municipality of Copenhagen (Transportministeriet 1992). Another example of non-elected governing body is the Greater Copenhagen Authority (Hovedstadens udviklingsråd), that functioned from 2000 to 2007. They developed regional plans for economic growth and policy recommendations for the city region (Økonomi- og Indenrigsministeriet 2005). With the structural reform of government in 2007 the Greater Copenhagen Authority was abolished and the municipali-

ties in Denmark was merged from 275 into 98. A large number of responsibilities was transferred from county and state level to the municipalities, and the county level of government was merged from 14 counties into five regions with the primary (and only hard infrastructural) responsibility of running the hospital sector (Andersen 2008). With the structural reform, larger administrative units were created with the responsibilities of many traditional welfare state responsibilities. As Andersen (Ibid.) and many others have pointed out, the structural consequence of New public Management, of decentralizing responsibilities and centralizing control, contract management and quantitative benchmarking also for qualitative welfare services, is an evident part of the structural reform.

Though urban planning often is carried out on a local scale, it is embedded in the greater regional and national scales of planning. In the case of Copenhagen described above, there is a convergence of the city policy and the neoliberal turn of the welfare state.

### III. URBAN PLANNING POLICIES

The urban landscapes and the planning hereof, has in an European context, on an overall level, evolved in line with the welfare state transformation. Using urban planning and welfare state in the singular form is of course a huge simplification since both spheres of regulation varies greatly between states (Arts and Gelis-

sen 2010). A convergence of trends on a general level is non the less meaningful. Though urban planning operate on very different scale than the national, they are connected to each other. This connection of different scales of policies is strengthen in the case of capital regions. The nation capital is commonly the central hub of international trading, institutions of regulation, migration etc. With the concentration of economic activity, development of the capital regions become fundamentally embedded in national economic policy. As described above, a neoliberal development can be observed in the case of the spatial planning of Copenhagen. To go a step further, the following will investigate the link of urban planning and welfare policy in more detail.

### III. i. Relations of urban planning and Welfare Policies

The relationship between spatial configurations and welfare policies is not direct. Since urban spatial policies is operating on the much smaller local or regional scale, than national welfare policy, its ramifications on welfare policies are of lesser influence. However spatial policy do influence welfare policies on many different levels. And as noted above, the importance of the capital region in a national perspective, enhances the effects of its local level policy. The topics of *health* and *segregation*, will be discussed in the following. These topics are chosen because of their strong relation to traditional welfare polices and because

of their central place in the tradition of urban planning.

### HEALTH AND WELL-BEING

Many studies show the relationship between the urban environment and not only well-being, but also health and social interaction (Heynen 2006; Galea and Vlahov 2005). As Heynen (2006) points out, the planning of green spaces in cities help alleviate stress, and Galea and Vlahov (2005) point to the correlation between green areas such as parks, and low level of cardiovascular diseases, greater physical activity and higher age among the elderly population. In dense populated urban areas, traffic is an important factor for public health. Air pollution, predominantly from car traffic, increases the number of respiratory diseases and related fatalities among the population. Car traffic can be regulated by urban planners either through infrastructure favouring other means of transportation or through policies limiting the number of cars. Such policies could restrict car traffic based on equal/unequal licence plate, by high parking fees, etc. (Zhou et al. 2010).

The relation of urban health to welfare policies is indirect in nature. With health benefits being a traditional part of welfare policy in Scandinavia, public health influence the level of welfare expenditure. And with and with an urban population above 80% in the Scandinavian countries, urban health have significant influence on the health and treatment need of the general public (The World bank 2013).

**SEGREGATION** Segregation of urban population in various city-regions around the world are well documented (e.g. Andersen 2004; Feitosa et al. 2007; Musterd 2006). However the cause of segregation is much debated. The debate is primarily concerning whether the state or global economy is to be given primary agency. Agitating for the impact of the global economy on the urban economy, Sassen (2002) points to the polarising effect, that global trade and economic command centres has on wages and occupation of the urban population. As Sassen's analysis of global economy and city space has gotten much attention, it has an equal amount of critics (e.g. Andersen 2004; Hamnett 2013). As Chris Hamnett (2013) points to, the polarising effect that Sassen is observing in New York and Tokyo among other places, is not verifiable to the same extend in western European cities. The claim of Hamnett is that the effects of the global economy is mitigated by the particular state model and interventions. Thus various welfare state models produce different socio-spatial cities. This perspective does not only show how the welfare state is influencing the social landscape of cities; it also shows how spatial issues such as polarisation, is affecting public policy and funding. To take an example from a Danish context, the government produces an official list of ghettos each year (Ministeriet for by, bolig og landdistrikter 2014). This is a list of particular vulnerable neighbourhoods, where the level of *unemployed, emigrants, convicted, low edu-*

*cated and low income* dwellers exceed a certain threshold (ibid.). Areas on the list is the object of a targeted social effort and greater funding. In producing such a list, spatial segregation of dwellers on grounds of social, economic and ethnic discrepancy, become the object of welfare state interventions and the thus the spatial segregation is influencing the welfare policy.

Today it is unlikely, that an urban planner in the western world, would intentionally plan for a segregated city. Segregation has long been recognised in the professional and academic world, as the cause of many social problems. However segregation of urban areas continues to occur and is still an issue.

#### IV. WELFARE STATE RELATIONS IN THE COPENHAGEN URBAN PLANNING

Copenhagen has gone from a capital of crisis to a capital of growth. From a bankrupt municipality in the early 1990s to a centre of economic growth (Andersen 2004). Though growth of the economy is very much in focus in the aftermath of the financial crisis of 2007, urban spatial policies still has a central place in the cities policy.

**URBAN HEALTH IN COPENHAGEN** The relationship between urban health and welfare policy is primarily a one way direction. While welfare policies is of little influence to the spatial aspects of health in

Copenhagen (and other cities), the urban spatial environment is of influence to the health of the urban population, and thus to the prerequisite of welfare policies. Urban green spaces and recreational areas has a central place in the agenda of the municipality. Connected to the sustainability discourse green areas is an important part of Copenhagen's city brand. During 2014 Copenhagen is the green capital of Europe and the municipality calls the city 'the green blue capital'<sup>1</sup>(Københavns Kommune and Teknik- og Miljøforvaltningen 2007). An example of the importance of green urban spaces, can be found in the goals for the city planning in the municipality vision for 2015:

90% of Copenhagenerns should be able to walk to a park, a beach, a natural area or sea swimming-pool in less than 15 minutes

and

the air should be so clean that Copenhagenerns' health will not be damaged. (Københavns Kommune and Teknik- og Miljøforvaltningen 2007: p20).

Influence from a welfare policies are not predominant in this case. The influencing ideas for the very green urban strategy is to be found in the discourse of the good city life where health plays an important part. Though urban health and welfare

politics are separate policy fields, it is likely that the green strategy of Copenhagen and other cities, will have a positive impact on the public health and feed into policies of welfare over time.

#### SEGREGATION IN COPENHAGEN

In his investigation of polarisation in Copenhagen, Andersen (2004) demonstrate that polarisation of income in the Copenhagen area is low. Though the income distribution has become slightly more spread, incomes in the city is not polarised. However despite the income level is distributed relatively equal, they are polarised in space and produce a segregated urban landscape (Ibid.). There is a tendency of polarisation between neighbourhoods. There are more neighbourhoods with an overweight of high- respectively low income dwellers than neighbourhoods with average or close to average income dwellers. Adding to the segregation there are more foreign citizens in the low to extremely low income neighbourhoods than in above average neighbourhoods. Not surprisingly the social housing has an overweight of below and low income tenants (Ibid.).

The absence of income polarisation for the capital as a whole, indicate that the welfare state has mitigated the polarising effects of the global trade economy. The polarising effects on wages and labour market that Sassen (2002) identified in cities like New York is not distinct in Copenhagen. The primary mitigating factors in this

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<sup>1</sup>blue refereeing to the waterfront.

regard, is the Danish labour marked organisation and the flexicurity model. The Danish labour marked is characterised by strong labour unions, collective agreements between employers and workers and regulated labour environments. This organisation is stabilising the wage levels and working condition. The freedom of movement in the European Union and work emigration is however challenging the established order. The flexicurity model aims at stimulating a flexible labour market, with limited obstacle for firing and employing workers, by providing security for the workers through welfare benefits. With a flexible workforce, employments of staff pose a lower risk for the employers as well as the worker. This means that the welfare state is mitigating segregation by the proxy of labour market policies.

When Copenhagen still is experiencing segregation, it is connected to other welfare policies. When the housing marked of Copenhagen was changed in the 1990s, private ownership was encouraged to attract upper-middle class citizens to the city (Andersen and Winther 2010). This created a large private housing marked in Copenhagen. While attracting new residents, others was excluded from the marked. Lower income individuals was left with rented accommodation and as priced on private owned housing rose, so did the rental prices. To secure housing for low income groups, tenants of rented accommodation with low incomes, is eligible for rent subsidies (Social-, Børne- og In-

tegrationsministeriet 2013). This welfare benefit, targeted at low income groups, has as externality a segregating effect. Because the benefit only applies to rented accommodation it produce clustering of low income groups in this type of housing.

## V. CONCLUSION

As has been the tendency in the western world, the urban policy in Copenhagen has shifted from a predominantly Keynesian- to a neoliberal orientation in urban planning. The same process is also found on the scale of national spatial policy. During the 1990s Copenhagen went from financial crisis to a dominant position in the national economic growth. In the development of Copenhagen, green urban spaces and urban health have become a central issue. with large parts of the national population living in the capital, this development have potential to influence welfare policies through healthcare expenditures. The global economy is believed to have a polarising effect on cities, often leading to segregation of the population. This is related to many social problems. However the welfare state can have a major influence on the degree of segregation. The population of Copenhagen is moderately segregated by income and ethnicity. The housing policy of Copenhagen, advocating home ownership, has had a profound influence on the segregation. As segregation is influencing the focus of welfare policies and funding, it is however a dialectic

tic relation. welfare policies of rental subsidiaries has in turn magnified the segregation by clustering low income citizens. The neoliberal turn in national spatial policy has focused on the capital as an engine of economic growth and international city competition. In a paradox this has been a part of the formation of policies of the liveable city and urban health, feeding positively into the welfare policy

of healthcare. And at the same time welfare policies of rental subsidiaries, has magnified the segregation of the city. welfare- and urban policies are indeed intertwined and there effects are crossing scales. When Le (Galès 2005) characterised Urban policies as cross-boundaried and crosssectored, the same could equally be said of national welfare policies.

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