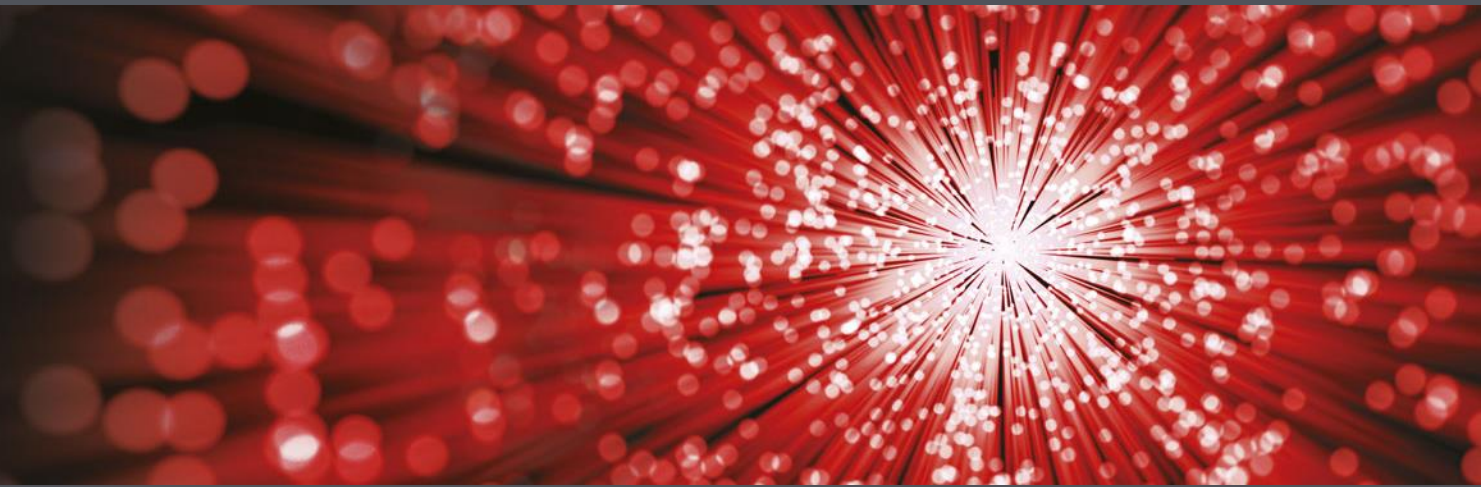


# HOUSING POLICY TRAJECTORY IN CHILE AND UK: CONVERGING PATHS OF TWO COUNTRIES



Murray, C. ; Parker G. ; Sabatini, F. and Vergara, L.

# ORDER OF PRESENTATION

- 1- Abstract
- 2- Definitions & Methodology
- 3- Comparative Statistics Chile and UK
- 4- Brief summary of housing policy trajectory in Chile and UK
- 5- Results of policy trajectory
- 6- Conclusions: the politics of housing policies in property ownership democracies

# ABSTRACT

This paper explores the evolution of housing policies in the **UK and Chile**, and takes into consideration the **political context** in which policies were developed. In both states and over time governments using conservative and more **neo-liberal** political discourses have prevailed. The blueprint of the policies set on the early **1980's** have changed little since **favouring homeownership** over any other form of tenure via the **ABC** approach in Chile and the **RTB** and **HTB** in the UK.

While Chile pursued a strategy of segregation by creating socially **homogeneous** neighbourhoods, the UK has always aimed to achieve **social mix** via **tenure mix**. However, with decreasing tenure variety and wide criticism to 'forced' social mix, the UK approach is facing challenging times. The Chilean system in particular is reviewed here with the aim of furthering the debate on **homogenous vs socially mixed** neighbourhoods in **property-ownership democracies**.

# DEFINITIONS & METHODOLOGY

Social Housing

Affordable Housing

Informality

Local Authority, Housing Associations, Private Social Landlords

ABC system

Rent to Buy

Help to Buy

Devolved governments

# COMPARATIVE STATISTICS

Table 1: Demographics and spatial distribution of the population

DATA	2018 million	Estimated mid 2020	Estimated mid 2050	Natural growth rate (%)	Migration rate (%)	Percentage Urban	Population per sq m of arable land
Chile	18.6	19.6	20.2	8	2	87	1,413
UK	66.4	70.4	74.7	0.3	6	83	1,105

Source: POPULATION REFERENCE BUREAU - 2018 WORLD POPULATION DATA SHEET [https://www.prb.org/wp-content/uploads/2018/08/2018\\_WPDS.pdf](https://www.prb.org/wp-content/uploads/2018/08/2018_WPDS.pdf)

# COMPARATIVE STATISTICS

Table 2: Gross Domestic Product

Year	2016	2017	2018	2019	2020	2021	2022	2023	Estimates Start After
<b>DATA</b>	<b>Gross domestic product, current prices USD Billions</b>								
Chile	250.008	277.042	280.269	295.844	311.422	326.888	343.009	359.836	2017
UK	2,660.69	2,624.53	2,936.29	3,022.58	3,121.42	3,227.56	3,350.47	3,476.62	2017
<b>DATA</b>	<b>Gross domestic product, constant prices (% change)</b>								
Chile	1.273	1.465	3.359	3.274	3.212	3.074	3.006	2.976	2017
UK	1.936	1.787	1.621	1.518	1.543	1.552	1.632	1.645	2017
<b>DATA</b>	<b>Gross domestic product, per capita, constant prices PPP 2011</b>								
Chile	22,258.90	22,350.04	22,860.49	23,363.35	23,862.83	24,340.41	24,811.31	25,283.83	2016
UK	39,722.46	40,185.37	40,582.41	40,964.36	41,388.14	41,842.25	42,356.94	42,886.25	2016

Source IMF

# COMPARATIVE STATISTICS

Table 3 Unemployment rate

Year	2016	2017	2018	2019	2020	2021	2022	2023	Estimates Start After
DATA	Unemployment rate % of total labour force								
Chile	6.49	6.674	6.238	5.8	5.863	5.9	5.975	6	2017
UK	4.9	4.425	4.397	4.54	4.5	4.5	4.5	4.5	2017

Source IMF

GINI coefficient UK 33.2 Chile is **47.7** (World Bank 2015)

Social expenditure (%GDP) UK **20%** Chile 10% (OECD, 2017)

# CHILE & UK

# HOUSING POLICY TRAJECTORIES:

Year	Country	Policy Title	Aim	Dominant Political Party
1976	Chile	Housing Subsidy Programme	Increase homeownership and housebuilding by implementing subsidies to the demand	Military Government
1980	UK	1980 Housing Act in England and Wales and the 1980 Housing Tenants Right in Scotland and the 1983 Housing Order in Northern Ireland	Provide local authority secure tenants with the statutory right to buy their home at a substantial discount from the market value	Conservative
2001	Scotland	Housing Act 2001 (Sctoland)	Restrict RTB discounts	Labour
2007	Chile	Social Integration Projects	Encourage social mix	Socialist
2013	England	Help to Buy Equity Loan Scheme (England)	Increase homeownership and housebuilding by implementing subsidies to the demand	Conservative
2014	Scotland	Housing Act 2014 (Sctoland)	Abolition of the RTB scheme	Scottish National Party
2018	Wales	Abolition of the Right to Buy and Associated Rights (Wales) Act 2018	Abolition of the RTB scheme	Labour



# RESULTS OF POLICY TRAJECTORIES

Shift to homeownership (70% England)

Gentrification of central locations with good services

Displacement & concentration of spatial poverty

Increasing housing demand and decreasing affordability

Shift to property ownership democracies supporting right of centre ideologies

Shift to asset-based welfare state (housing to access good services and provide extra pension / inheritance wealth)

# CONCLUSIONS

Criticism to social mix is on the increase in the UK with authors qualifying it as a 'forced' mix which has given poor results (Lees, 2008)

Criticism of social homogeneity is growing in Chile to the point of government intervention

Still property ownership democracies are expanding supported by conservative and neoliberal governments and creating a cultural change in support of homogenisation, privatisation and reduction of the state

This cultural change can influence outcomes of future elections and shape of institutions in both countries

More research is needed to understand how asset-based democracies will tackle spatial deprivation and inequalities in the future

# Thank you !

Please send your feedback  
[c.b.murray@henley.reading.ac.uk](mailto:c.b.murray@henley.reading.ac.uk)