

Hildegunn Elstad Christiansen

Strategies for promoting affordable housing in Oslo: a case of strong path dependence?

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Supervisor: Jardar Sørvoll
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Oslo Metropolitan University
Faculty of Social Science
Department of Social Work, Child Welfare and Social Policy

Summary

This paper is an analysis of the new policy paper for the provision of affordable housing in Oslo, '*Nye veier til egen bolig*' (new paths to a permanent home), launched by the City Government of Oslo in January 2019. The policy paper is examined in the theoretical light provided by Bengtsson and Ruonavaara's weak (non-deterministic) conception of path dependence. I have identified the main political strategies for the provision of affordable housing in Oslo and mapped out four criteria based on three key moments (critical junctures) of in Norwegian housing history that I have used to discuss and measure the degree of path dependence in the affordable housing strategies: owner-orientation, rental-friendliness, market-orientation and subsidy-friendliness. The Danish housing scheme *Almenbolig+* is included as a comparative element in the analysis, as the City Government have suggested to adapt this from Copenhagen. In the discussion I argue that there are varying degrees of path dependence in today's affordable housing strategies, but the main tendency is that ownership strategies are the most emphasized and that the ambivalence towards rental housing still persists.

The research questions of this paper are:

- 1) What are the main political strategies of the new policy paper (*Nye veier til egen bolig*) for the provision of affordable housing in Oslo?
- 2) To what extent do the affordable housing strategies of the City Government and the surrounding political debates reflect a strong path dependency?

The purpose of this study is to shed light on the historical preconditions shaping the affordable housing strategies in Oslo. I also seek to contribute to the scholarly literature on path dependence and housing. Contrary to many other studies in this research field, I do not take path dependence for granted, but seek to measure and discuss the causal strength of the critical junctures of the past.

Preface

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Introduction

In a post to local newspapers in 2019, the Minister of Local Government and Regional Development Monica Mæland, wrote “Even though the prices are high, we must not forget the most important: Norwegian housing policy is a success. Eight out of ten own their own dwelling...” (Kommunal- og moderniseringsdepartementet, 2019, p. 3). How come home ownership has become a measurement of success in Norwegian housing policy? And to what extent does this affect affordable housing policies? In this thesis, I look to history to discuss these and other pertinent questions about the city government’s housing policy. More precisely, I discuss to what degree the current affordable housing strategies in Oslo is shaped by path dependent mechanisms emanating from key moments (critical junctures) of housing history.

The Scandinavian countries have many cultural, economic and political similarities. Amongst these are owner-occupation as the dominant type of housing. Still, owner occupation constitutes various proportions of the housing stock and the housing regimes have developed into having noticeably different characteristics (Bengtsson, Ruonavaara, & Sørvoll, 2017, pp. 6-7; L. Jensen, 2006, p. 46). In Esping-Andersens welfare regime typology, all the Scandinavian countries are categorized as the social democratic type, which is characterized by being universal, service intensive, reducing of social inequalities and having a high degree of state involvement (Esping-Andersen, 1990). What makes Scandinavian housing policies particularly interesting is that housing policies largely are an exception to this. In contrast to other areas of welfare distribution, housing is primarily implemented through the market and, face the risk of price fluctuations and market failure (Bengtsson, 2006, p. 14). Housing is of a dualistic nature because it is a market investment and a welfare good at the same time. The state acts as a gatekeeper who corrects the market through economic incentives and ensure that it works according to given legislation. But what happens when prices increase, and the market single-handedly no longer is able to provide housing for some parts of the middle- and low-income groups?

According to a report published by Statistics Norway (Revold, Sandvik, & With, 2018, p. 20), the proportion of low-income households living in owner-occupied housing fell by ten percentage points, from 39 to 29 per cent, between 2003 and 2016. At the same time, the share of homeowner-households situated higher on the income scale remained stable at approximately 80 per cent. Furthermore, the report mentions that almost half of young people (aged 20-29) receive help from their parents when buying a home (Revold et al., 2018, p. 41).

This can contribute to perpetuating economic inequalities across generations as “the sharp rise in house prices has led to a wealth increase among households owning their home, while it has become increasingly difficult to enter the housing market” (Revolv et al., 2018, p. 41) According to some commentators (e.g. Gitmark, 2020; Gyberg, 2019), the trend of ever-increasing housing prices and the inequalities it produces calls for policy adjustments and a larger public sector involvement in the housing market.

I have done an analysis of the main political strategies and the accompanying housing debate of the new policy plan for the provision of affordable housing in Oslo, ‘*Nye veier til egen bolig*’ (new paths to a permanent home¹), launched by the City Government of Oslo in January 2019. Through the use of the analytical framework provided by Bengtsson and Ruonavaara’s (2010; 2017) theoretical conception of path dependence, I have made an attempt to enrich my analysis by identifying key moments (critical junctures) of housing history to deepen our understanding of how political and institutional development have framed and laid down paths for current affordable housing policy and the accompanying housing debate. I will shed light on the degrees in which the policy plan departs or conforms to the direction affordable housing policy took in Norway in the years after 1945. To further enhance the analysis, I have developed four criteria that I have combined with Bengtsson and Ruonavaara’s (2017) framework to more specifically measure the strength of path dependence in current policies and debates: owner-orientation, rental-friendliness, market-orientation, and subsidy-friendliness.

The purpose of this study is to shed light on the historical preconditions shaping the affordable housing strategies in Oslo. I also seek to contribute to the scholarly literature on path dependence and housing by developing ways to measure the strength of path dependence. Contrary to many other studies in this research field, I do not take path dependence for granted – or merely as an acknowledgment that ‘history matters’ (Sørvoll, 2014, p. 51). Instead, I seek to test and measure the causal importance of the critical junctures of the past.

The paper is written in the field of housing studies. A broad field of study that is comprised of research from various academic disciplines (Ruonavaara, 2018, p. 180). According to Ruonavaara housing research is ‘not a research topic but a common denominator of a number of research topics...’ (p. 187) – it is not based on a set of theoretical ideas, or ‘grand theories’, as within other research fields as e.g., sociology, history or

¹ All the translations to English from the Scandinavian languages are done by me, unless otherwise attributed.

economics. This paper is written on the theoretical basis of what Ruonavaara calls *theory about housing*: ‘...one can and should rather apply theoretical resources developed in parent disciplines and inter-disciplinary research fields in theorizing housing-related topics’ (p. 180). Path dependency theory has its origin in the field of economics and economic history but is referenced and employed widely across the social sciences (Pierson, 2000, p. 252).

Bengtsson & Ruonavaara (2017, p. 197) describes the theory of path dependency as a fruitful tool in the analysis of Scandinavian housing policies, and it is increasingly used for this purpose. Housing is arguably more prone to “stickiness” and path dependence for a number of reasons, including the constraints to change provided by the durability of physical housing structures and the respect for the rights of property owners and the rules of the game in the marketplace in capitalist societies (cf. Bengtsson & Ruonavaara, 2010). When trying to assess developments in housing policy and identifying the mechanisms that play out in the political processes, path dependency analyses can provide tools that broaden our understanding and shed light on the way critical junctures in the past may shape the contemporary world of housing.

Research question

The research questions of this paper are:

1. What are the main political strategies of the new policy paper (*Nye veier til egen bolig*) for the provision of affordable housing in Oslo?
2. To what extent do the affordable housing strategies of the City Government and the surrounding political debates reflect a strong path dependency?

Background: Affordable housing strategies in Oslo

The chapter begins with an introduction of the Norwegian housing market in its current state, with the main focus being on the distribution of different types of housing tenures and the recent price increase in the housing market. The following section addresses the contents and objective of the policy paper on affordable housing provision, *Nye veier til egen bolig* (Oslo kommune, 2019b).

The current housing market in Oslo

In the Nordic countries, Norway stand out with the highest proportion of owner-occupied housing (L. Jensen, 2006, p. 46) and over the years the country has developed a social and political system where home ownership has been favoured. In contrast to other universal public services, e.g. education and health, the Norwegian welfare states' housing policies are selective (Barlindhaug, 2012, p. 196). According to Sørvoll (2018, p. 49) the contemporary Norwegian housing regime is characterised by: 1) A political focus on “well-functioning housing markets” in which the housing supply is controlled by the market and property developers. 2) As selective, meaning that economic support is strictly means-tested and targeted towards the disadvantaged. 3) It is largely dominated by home ownership and the rental market is seen mainly as a temporary stopover - a relatively limited sector where few find it desirable to live long-term.

The Norwegian social rented housing sector (*kommunale boliger*) has become one of the most market-oriented in Europe (Sørvoll, 2018, p. 50). The sector, which make up a total of 4-5 per cent of the housing stock (Sørvoll & Aarset, 2015, p. 22), is relatively small compared to for example the municipal housing sector in Sweden and the social housing sector in Denmark (Bengtsson, Annaniassen, Jensen, Ruonavaara, & Sveinsson, 2006). The combination of extremely limited access to social housing and the increase in property prices have created a group of *inbetweeners*, meaning people who have too high incomes to qualify for social housing, but are still not able to enter the market for owner-occupied housing (Oslo kommune, 2019a). It is these inbetweeners that that the affordable housing plan of the City Government in Oslo aims to help. This is a heterogeneous group with a wide variety of needs and challenges.

Through The Planning and Building Act (*plan- og bygningsloven*) the state merely sets conditions for the housing policies enacted at the municipal level (Berit Nordahl, 2012b, p. 100). In this sense, the municipalities have considerable freedom in their decisions on how

to carry out housing policy, but the economic interests of property developers are protected by law and this restricts the freedom of local governments (Berit Nordahl, 2012b, p. 101). For instance, the municipalities have limited ability to influence the forms of tenures in new building projects carried out by private actors (Aarland & Sørvoll, 2020, p. 92; Berit Nordahl, 2012b, p. 101). This poses a challenge when trying to get the private market involved in the building affordable housing, as is suggested in the new policy plan, because it is not profitable given the current high prices on buildable plots. Despite these restrictions the municipalities do have some leeway in the form of ‘conditional regulation’ (*betinget regulering*) (Berit Nordahl, 2012b, p. 100). This provides the municipalities with a regulatory authority to impose on developers to follow a set of terms and conditions in order get official approval to start a project, as for example the right to set guidelines for the entrepreneurs to build housing in a certain size in order to diversify the resident composition, and in some cases, municipal right of pre-emption. Still, the scopes of action within the parameters of the planning and building laws are limited compared to, for example, Denmark (Oslo kommune, 2019a, p. 100).

According to the Norwegian Central Bureau of Statistics, 82,1 per cent of the Norwegian population live in owner-occupied housing (Statistisk sentralbyrå, 2020a). This proportion is high compared with the other Scandinavian countries, but also internationally. In Oslo, with a population of just under 695,000 (Statistisk sentralbyrå, 2020b), the proportion is somewhat smaller. 70 per cent are homeowners, while 26 per cent live in private rental housing and 4 per cent live in social rented housing provided by the municipality (Oslo kommune, 2019a, p. 59).

The municipality of Oslo owns approximately 30 per cent of the land within the municipality’s borders, but 75 per cent of this land is located in outlying areas of Oslo which mostly consists of preserved forest (Oslo kommune, 2019a). A large proportion of the building plots owned by the municipality were sold or let out (*tomtefeste*) at below market price to satisfy the large housing demand of the first post-war decades (Sørvoll, 2011, p. 8). Moreover, during the liberalisation of the housing market in the mid-1980, the municipality sold another large chunk of the city’s buildable land (Sørvoll, 2011, p. 8). This has led to the municipality having a limited amount of buildable plots available for new projects and that the only available alternative is to purchase land for housing construction at market-prices. In general, the plot prices are pressured upwards because of increases in housing prices compared to construction costs, and a general pressure to build more housing to meet the demand in the city (Oslo kommune, 2019a, p. 18). If Oslo municipality had not sold a large

proportion of the land it controlled, the opportunity to influence developers to construct affordable housing would have been much greater (Barlindhaug et al., 2018, p. 12).

Ownership of land is arguably the most powerful instrument of housing policy, since it in principle allows local governments to dictate the terms and conditions of private housing construction through allocation of buildable plots (Aarland & Sørvoll, 2020, p. 92).

In 2018, the company Eiendomsverdi AS launched ‘the nurse index’ (*sykepleierindeksen*) (Lund, 2018). By measuring the prices of homes for sale on the market in the current year and comparing them to the average income of a nurse living in a single household, the index gives an indication of the nurses’ purchasing power in the housing market in a particular city. Nurses were chosen as a basis for comparison because their income is independent of economic cycles, and they have what is considered to be an average Norwegian income (Lund, 2018, p. 67). In 2019, the index number for Oslo was 3,2 per cent, which means that out of every hundred properties up for sale, a single nurse was just able to afford three homes (Eiendomsverdi, 2020). The 2019 number is almost a decrease of 2 percentage points from 2018 (Lund, 2018, p. 69). In comparison; in the second and third largest cities in Norway, Bergen and Trondheim, the number was 33,7 per cent and 28,2 per cent in 2019 (Eiendomsverdi, 2020). Thus, owner-occupied housing in Oslo may hardly be described as “affordable” for medium income single-person households.

In February 2020, the price per square meter was almost 74 percent higher in Oslo than the national average (Krogsveen prisstatistikk, 2020). From 2003 to 2018 the price per square meter increased by 199 per cent, while the rental prices only had an 85 per cent increase in the same period (Oslo kommune, 2019a, p. 5). Even when adjusted for increased average wages and the consumer price index the growth has been significant. The reason for this is probably a combination of a considerable number of dwellings purchased as secondary residences and that the supply of new housing is lower than the demand caused by population growth (Lund, 2018).

It is not just that it is seen as a favourable investment that makes home ownership desirable in Oslo. It is also made more attractive by several national incentive schemes introduced by the state, (Oslo kommune, 2019a, p. 15), as for example:

- The housing taxes in Norway are low compared to other countries.
- Profits from the sale of owner-occupied homes are not taxed, on the condition that the owner has had permanent residence in the dwelling twelve of the past twenty-four months.

- There is an unlimited deduction of debt interest and tax-free to rent out up to 50 per cent of one's own home.
- Young people, 33 and younger, get favourable interest rates on saving accounts that are reserved for home purchases (*BSU – boligsparing for ungdom*).
- The interest rates on mortgage loans are low. This enables Norwegian households to manage quite high monthly mortgage payments.

Oslo city council's policy plan: Filling the gap between social housing and market-based housing

Several social challenges have emerged as a result of the steady increase in housing prices and there is widespread concerns about housing affordability in Oslo. In response to this, the City Government of Oslo launched the policy plan *Nye veier til egen bolig* ('new paths to a permanent home') in January 2019. The policy plan suggests measures for housing provision that includes a broader part of the population, i.e., the inbetweeners. This differs from the more traditional Norwegian social housing policy that increasingly has been aimed at particularly disadvantaged groups since the deregulation of the housing market (Sørvoll, 2011). In October 2019, the City Government declared their Platform for City Government for the next four years, which includes a plan to "facilitate at least a thousand new homes within the third housing sector by the end of 2023 [...] in cooperation with private and non-commercial actors" (Oslo Byråd, 2019, p. 37). In the long term, the City Government's goal is that "at least 20 per cent of housing in Oslo shall be affordable housing" (Oslo Byråd, 2019, p. 37).

Since the end of the 1990s, much of the responsibility for housing for disadvantaged groups has been transferred from the state to the municipal level (Annaniassen, 2006, p. 125). The ambition of the City Government's current housing policy is to expand housing policy to include strategies that contributes to secure access to appropriate, stable and predictable housing outcomes for the inbetweeners (Oslo kommune, 2019b, p. 3). The main goals and strategies of the policy plan aims to further develop the housing policies by: 1) continue the tradition of home ownership promotion (*eierlinjen*) by trying out strategies that enables more people to live in owner-occupied housing and 2) to expand the non-commercial rental market (Oslo kommune, 2019b, p. 4). In other words, they wish to fill the gap between the social housing sector and owner-occupied housing by the provision of what is referred to as *affordable housing* in this paper. The term is further elaborated on in the next chapter.

Theoretical framework

The first subchapter of this section is a clarification of the term ‘affordable housing’. To adapt the term to the Norwegian housing market I have developed a modified version of Czichke & Bortel’s (2018) definition for use in this thesis. The second subchapter is an introduction to the theory of path dependence based on Bengtsson and Ruonavaara’s (2010, 2017) framework. I have elaborated on some of the key elements of their framework: critical junctures and focal points, social mechanisms and contextual factors. This is accompanied by a short assessment of some of the critiques of the path dependence theory. Then follows an introduction to the four criteria I have developed to measure and discuss the degree of path dependence in Norwegian affordable housing policy. And finally, I present and discuss the three critical junctures that are central to the path dependence analysis in this paper: 1) 1935: Oslo municipality’s deal with OBOS, 2) 1988: The deregulation of the housing cooperatives and 3) the 1990s: the big shift in the provision of social housing from general brick and mortar subsidies to selective economic support to disadvantaged groups. The chapter ends with a more detailed presentation of the four criteria in context of the critical junctures.

Definitions of affordable housing

Affordable housing is a broad term that is often used, but infrequently specified. The lack of a clear definition is prominent both in the academic field and in the political world. Affordable housing is closely related to other terms such as ‘the third housing sector’ (Oslo Byråd, 2019) and ‘inclusionary housing’ (Berit Nordahl, 2014). According to Czichke and Bortel’s (2018) there is an European trend of increased reduction of funding for social housing, and at the same time a diversification of the social housing sector (Czischke & van Bortel, 2018). This diversification opens up for alternative types of housing provision, such as affordable housing, and targets a diverse group of inbetweeners which typically can include key workers, young adults, families or others who are neither eligible for social housing nor able to access market-based housing.

In order to operationalize affordable housing, I am going to use a modified version of the definition of affordable housing provided by Czichke and Bortel’s (2018), which originally was made to describe rental housing by dividing different tenures into three subdivisions:

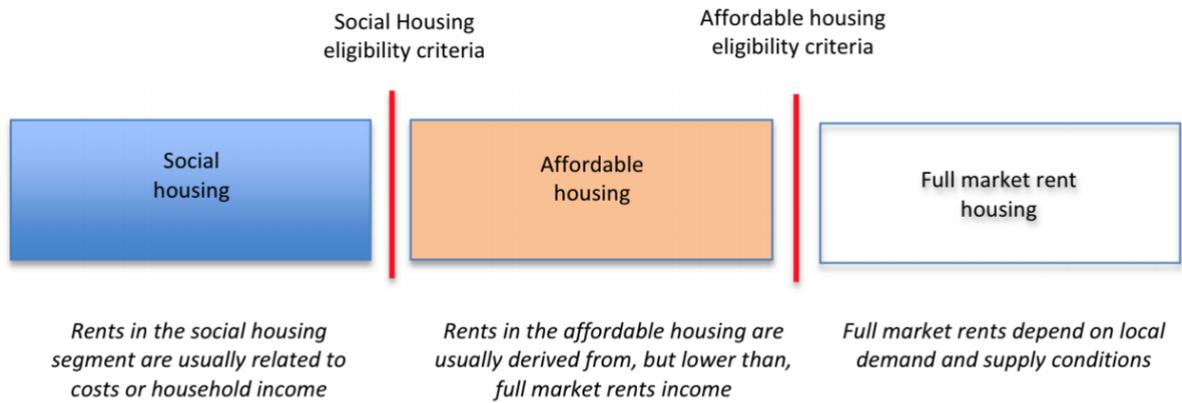


Fig. 1 Rental housing segments

(Czischke & van Bortel, 2018)

I have adapted the model to describe the housing segments in Oslo, where the provision of affordable housing includes both home ownership and rental housing. This model is used as a point of reference in this paper and forms the basis for the discussion and analysis of the affordable housing policy in Oslo.



Fig. 2 Rental and home ownership segments in Oslo

The theory of path dependence

The theory of path dependence is the main analytical framework in this study. The analysis will be based on Bengtsson & Ruonavaara's (2010) weak non-deterministic conception of path dependence; "... a historical pattern where a certain outcome can be traced back to a particular set of events on the basis of empirical observation guided by social theory" (p. 5). In addition, I have been inspired by Bengtsson & Ruonavaara's article *Comparative Process Tracing: Making Historical Comparison Structured and Focused* (2017) to further elaborate on the various elements embedded in the theory. Bengtsson and Ruonavaara (2010, 2017) argues that this kind of analysis is fit for systematic comparison of historical cases, and especially of housing institutions and policy making (2010, p. 194; 2017, pp. 44,45,51). This is substantiated with reference to the fact that housing is a stable good that is developed over (long) periods of time, which "create a powerful historical heritage that any government has to deal with when making housing policy" (Bengtsson & Ruonavaara, 2010, p. 193).

Path dependence is a sequential theoretical perspective which is based on the assumption that:

In the presence of positive feedback, the probability of further steps along the same path increases with each move down that path. This is because the relative benefits of the current activity compared with once-possible options increases over time. To put it a different way, the costs of switching to some previously plausible alternative rise (Pierson, 2004, p. 21).

Or as Bengtsson and Ruonavaara (2017) puts it: "some outcomes are such that they cannot be explained by general causes but only by the sequence of events in their specific history" (p. 48). However, this does not imply that previous events make political changes impossible, but rather that it can create obstacles in the processes of change. Thus, Bengtsson and Ruonavaara are not determinists – presupposing that a certain development was inevitable or locked in forever – but sensitive to the possibility of change and the potential of actors to change the course of history.

In a path dependence analysis of political institutions, we are looking for self-reinforcing sequences, visible at a *focal point*, which occurs following a point in time where a crucial decision was made, a *critical juncture*. Bengtsson & Ruonavaara (2017) emphasizes that this is especially relevant when we are doing research on political and social institutions because of the expectations of the institutions' stability and continuity (p. 49). In other words,

that their function and role is taken for granted, rather than seen as a product of decisions made by different actors through history. A path dependence-analysis can also be helpful when trying to spot underlying rhetorical trends through time, as exemplified by Grube (2016, p. 532) “A piece of political rhetoric uttered only once in passing is less likely to attract strongly path-dependent effects than something which is repeated”. This is arguably a good starting point for an analysis of the Norwegian home ownership discourse.

Bengtsson and Ruonavaara’s (2010) conception of path dependence may be described as weak or non-deterministic. This means they interpret historical processes in terms of ‘more likely, but not certain or bombastic’-approach (p. 47). In their view, a degree of path dependence always exists to a greater or lesser extent, and thus the job of the researcher is to judge why and to what extent an historical process or policy is shaped by path dependence (Bengtsson, 2006, p. 28). The analysis and discussion are largely inspired by the approach of Bengtsson & Ruonavaara. However, I add to their approach by suggesting four criteria for measuring the extent of path dependence in the current affordable housing strategy in Oslo. In the theoretical literature used in this thesis, I have yet to find a specification of any criteria for researchers interested in weighting the strength of path dependence in a policy field. As will be elaborated further below, I have therefore mapped out four criteria for measuring the degree of path dependence in the strategies for the provision of affordable housing in Oslo, and thus attempted to supplement Bengtsson and Ruonavaara’s (2010) general theoretical framework.

I have chosen not to emphasize *periodization* and *counterfactual analysis* in this thesis. This is because of the thesis’ limited scope and the elements limited relevance to the research questions.

Critical junctures and focal points

Critical junctures

The identification of critical junctures and focal points are two of the three main elements in an analysis based on path dependence (Bengtsson & Ruonavaara, 2010, p. 196). Bengtsson and Ruonavaara (2017) define *critical junctures* as “transitional situations in which actors have the possibility to make choices that would open up a new path” (p.52). In these situations, the actors have multiple alternatives, whether they are aware of them or not. The decisions made at this juncture can create new paths of dependency and as a consequence, be decisive for the future political processes. As time progress the decisions can lead to a ‘point

of no return' where the possibility to follow other paths can be perceived as nearly impossible – a path dependence.

In this study I have identified three critical junctures based on my interpretation of the historiography of Norwegian housing policy (Annaniassen, 2006; Kiøsterud, 2005; Nestor & Obos, 1979; Berit Nordahl et al., 2012; Sørvoll, 2011):

1. 1935: Oslo municipality's deal with OBOS
2. 1988: The deregulation of the housing cooperatives
3. 1995: The big shift in the provision of social housing from general brick and mortar subsidies to selective economic support to disadvantaged groups

Focal points

Not all political decisions have such comprehensive consequences as the critical junctures.

We can also distinguish the points of decision-making which serves as a confirmation of previous critical junctures - points in time where the chosen path becomes visible. This is referred to as focal points and “demonstrate, manifest, and consolidate the path dependence of a direction taken before” (Bengtsson & Ruonavaara, 2017, p. 52).

The focal point in this study is the City Government of Oslo's launch of the policy paper *Nye veier til egen bolig* in January 2019. By doing an analysis of the main political strategies in the policy paper, I will shed light on the degrees in which it departs or conforms to the direction affordable housing policy has taken post-1945, i.e. the degree of path dependence.

Social mechanisms and context

Social mechanisms are the third central element of a path dependence analysis (Bengtsson & Ruonavaara, 2010, p. 196). Such mechanisms are strengthened or produced by critical junctures and may be empirically traceable at the focal points. The identification of mechanisms provides potential explanations of the critical junctures' effect on the focal points (Bengtsson & Ruonavaara, 2017, p. 53). Social mechanism is a general theoretical concept used in the social sciences. In this thesis I have used Sørvoll and Bengtsson's (2020) definition: “causally productive and frequently recurring patterns triggered in certain contexts that help explain social phenomena” (p. 68).

Bengtsson and Ruonavaara (2010;2017) include three categories of social mechanisms in their analytical framework: 1) *the efficiency mechanism* which concerns the cost/benefit considerations done in the decision-making process; 2) *the legitimacy mechanism*, the perception of the legitimacy of the institutions, both by the actors and by the public, and what is considered legitimate in the society; and 3) *the power mechanism* - how power is distributed amongst the actors within the institutions and in society, and who gets to partake in the decision-making (Bengtsson & Ruonavaara, 2010, p. 196; 2017, p. 55). I have not devoted so much attention to these in the analysis because doing a proper analysis of the social mechanisms would be more comprehensive than the scope of this thesis allows. Nevertheless, the mechanisms outlined above have been an inspiration in the development and discussion of my own four criteria.

In order to identify the social mechanisms and enable comparison between cases, one has to operate within a contextual frame. The identification of the social, cultural and political context in which a process takes place is essential in this analysis because “their (the actors) preferences are not created in a vacuum but are... dependent on the situation and the social context” (Bengtsson & Ruonavaara, 2017, p. 56). The comparability of cases is contingent on the contexts being somewhat similar, as is the case with the AlmenBolig+ schemes. I have attempted to ground my analysis in contextual knowledge through a systematic media search and the reading of scholarly literature on Norwegian housing policy.

Critique of path dependency

When conducting a path dependence analysis, one has to decide what to emphasize. In some ways, it is a simplification of history. Within path dependence perspectives there lies an assumption that a critical juncture actually took place, Kay (2005) refers to this as something like a ‘big bang’, and he believes that scholars who emphasize “critical junctures” exaggerate the importance of individual events, and risks underestimating the importance of accumulation of decisions over what can be relatively long periods of time. In his critique of the theory, based on Ostroms (1999) model, Kay states path dependence is not a framework, nor a theory, which makes it inadequate as an analytical framework. While path dependence certainly does not predict the future, it can arguably provide us with useful knowledge that can contribute to the understanding of what *could* have happened if different paths were chosen at the critical junctures. It may also help us identify the historical mechanisms that *likely* has been involved in the political processes that has led to contemporary policy.

By drawing on Bengtsson and Ruonavaara's weak concept of path dependence, I steer clear of some of the problems highlighted by Kay (2005). Their non-deterministic conception puts much less emphasis on contingent events and is thus more open to the Kay's claim that accumulated events also matter in history. The weak definition of path dependence is a clear contrast to more deterministic conceptions that place greater emphasis on contingent events, something which has been subject to much criticism over the years (Grube, 2016, p. 532).

Four criteria for measuring the degree of path dependence

What does it take to be able to claim that path dependence is strong? The key researchers in this field, B. Bengtsson and Ruonavaara (2010, 2017; 2017), make little attempt to assess this question and have not formulated any criteria for measuring whether path dependence is strong or weak. Admittedly, I rely heavily on Bengtsson and Ruonavaara's version of path dependence and general methodology. However, in an attempt to refine their conceptual framework and answer the second research question, I have mapped out four criteria for measuring the degree of path dependence in the strategies for the provision of affordable housing in Oslo:

1) Owner-orientation, 2) rental-friendliness, 3) market-orientation and 4) subsidy-friendliness. I have developed these criteria with the aid for relevant scholarly literature and with reference to key critical junctures. If the degree of owner-orientation and market-orientation is high – this suggests a strong or high level of path dependence; if the rental- and subsidy-friendliness is low this likewise suggests strong path dependence.

Instead of doing a more general analysis on the vague premise that 'history matters', I sought a more systematic approach. Thus, the four criteria address the subjects that I believe, based relevant scholarly literature, have been some of the most prominent in Norwegian housing policy over the last century. I do believe that using criteria to measure path dependence can also be advantageous in comparative analyses across countries and/or cities, but an attempt to do this must be left for another occasion. However, these criteria may serve as examples for other researchers that want to discuss the strength of path dependence in different housing regimes. All criteria overlap to some degree, but I have tried to identify elements in the policy paper (Oslo kommune, 2019b) and the accompanying housing debate, that meets the individual criteria the most.

In the following section I am going to give a presentation and discuss the three critical junctures that are central to the path dependence analysis in this paper, before I give a more detailed presentation of the four criteria in context of these critical junctures.

Critical junctures in the development of affordable housing policies in Oslo

The main goal of a path dependence analysis is to examine a chosen focal point and then trace back the unfolding of events (critical junctures) leading up to the focal point by identifying the mechanisms that shape the political processes (Bengtsson & Ruonavaara, 2010, p. 196). In this paper, the focal point is the launch of the policy plan *Nye veier til egen bolig* in 2019 (Oslo kommune, 2019b) and the critical junctures that I believe may have shaped the strategies of the policy plan are as follows:

Critical juncture 1: 1935 - Oslo municipality's deal with OBOS

The 1930s is considered as the start of modern Norwegian housing policy (Kiøsterud, 2005, p. 46). In 1929 the housing construction cooperative *Oslo Bolig – og Sparelag* (OBOS) was founded to eradicate the housing shortage in Oslo, and has subsequently played a major role in the history of Norwegian housing policy (OBOS, n.d.)

Prior to the end of the 1920s several ideas of how to end the ongoing housing shortage had been promoted, but it was not until 1928/1929 that major changes were made – what initially led to a critical juncture in Norwegian housing policy: Oslo municipality's deal with OBOS. In 1935, OBOS entered into an agreement with Oslo municipality to be the municipality's main actor in housing construction and were to provide housing that held a simple and decent standard (OBOS, n.d.). This was motivated by the practical concerns of liberating the municipality from the financial burden and direct political responsibility of housing construction and housing management (Sørvoll, 2016, p. 193). The municipality were to provide OBOS with affordable and ready-to-build plots and The Norwegian State Housing Bank (*Husbanken*) granted favorable construction-loans and financed as much as a third of newly built homes in Norway in the period from 1950 to 1995 (Sørvoll, 2011, p. 1). In the years following the OBOS-deal, a number of other housing cooperatives were founded and they gained a significant role in Norwegian housing policy (Kiøsterud, 2005, p. 46).

From the post-war reconstruction period to the 1970s, the public sector kept its extensive role in housing provision (Annaniassen, 2006, p. 14). This is considered to be the golden era of the housing cooperatives, as they fulfilled their original purpose of provision of affordable housing to large sections of the population. There was agreement across party lines

that subsidies and price regulation was an effective tool to provide housing and make sure that newly built housing held a certain standard and that expenses did not constitute a disproportionately high share of the households expenses – the ideal was 20 per cent or less (Berit Nordahl, 2012a, p. 24). The ideal was that no one should earn money on rent, nor when reselling a home – that it was immoral to exploit people’s need for housing. The long-term consequences of Oslo municipality’s deal with OBOS was that homeowner cooperatives became the sole tenure of apartment buildings after the Second World War.

This critical juncture is relevant for the discussion of the policy paper because Oslo municipality’s deal with OBOS in 1935 contributed to the establishment of the Norwegian line of ownership (*eierlinja*) (cf. criteria 1:owner-orientation). Although cooperative housing was a form of collective owner-occupied housing, the sector transformed into fully fledged market-based housing after the deregulation in the 1980s (cf. critical juncture 2) (Sørvoll, 2016, p. 199) The deal with OBOS contributed strongly to transforming Oslo to a city of home owners and establishing the cultural norm of home ownership (Sørvoll, 2016). The agreement in 1935 meant a conscious choice away from rental housing because this was excluded as an alternative for large-scale housing provision (cf. criteria 2:rental-friendliness). The extensive construction of homeowner cooperatives that took place in the decades after the OBOS-deal set the bar for Norwegian housing policy and, as I will discuss further in this paper, laid down paths for current affordable housing policy. The OBOS-deal of 1935 also gave a big boost to anti-landlord sentiments: after the war the dominant Labour Party considered large-scale rental housing owned by landlords as speculative and oppressive, and contrasted it to the virtuous and democratic institutions of cooperative housing. As Annaniassen (2006 p. 99) points out; “When housing policy to those degrees was anti-rental, it logically led to a priority of owner-occupied housing”.

Critical juncture 2: 1988 - The deregulation of the housing cooperatives, a change to a market-oriented housing regime

Since the post-war period there has been a considerable change in the roles of the three main actors in Norwegian housing policy; the state, the municipality and the market (Berit Nordahl, 2012a, p. 22). In the 1970s, the focus of the housing policies gradually shifted to a more liberal approach as the housing conditions gradually improved (Kiøsterud, 2005, p. 27). The need for large public interventions were considered to decrease as the market had managed to provide satisfactory housing to large sections of the population. Partly as a consequence of this, the public sector slowly withdrew their involvement and loosened up on the regulations.

The deregulation of the Norwegian housing market was an elongated process that took place between the 1970s and the 1990s. The process consisted of several ‘small’ critical junctures, including the deregulation of the rental market and the abolition of municipal subsidization of the land purchased by developers. I consider the deregulation of the housing cooperatives as one of the most crucial events of this period. In particular the deregulation of the prices on OBOS- and USBL-apartments in 1988, which I have defined as a critical juncture - a point of no return in Norwegian history of affordable housing.

According to Annaniassen (2006, p. 108, 220) the goal of the deregulation was to safeguard ownership interests. The last decades of general wealth increase and good housing coverage had reduced the need for a regulated market, and cooperative housing lost its legitimacy as it no longer has its intended function because of the development of a dual market (Berit Nordahl, 2012a, p. 21) and illegal trading of shareholder units (Annaniassen, 2006, p. 89). The duality in market was a result of that one part of the market were made up of people living in freehold housing, where home sales occurred on the conditions of the free market. Whereas the other part consisted of those who owned price-regulated shares in the housing cooperatives. This was problematic because the shareholders in the cooperatives did not get the opportunity to profit from the market inflation. As prices rose over the years, it became increasingly difficult for shareholders to enter the regular housing market due to the large price differences. As a consequence of this, people started with illegal trading of the cooperative’s units in order to avoid the price regulations. This happened through payment of considerable amounts of money under the table, which came in addition to the official sales price. The system that was meant to even out social inequalities began to work against itself and the opposition to the sector grew.

This critical juncture is relevant for the discussion of the policy paper because the deregulation of the housing cooperatives marks the final shift to a market-based housing regime (cf. criteria 3: market-orientation). After the deregulation it became a goal of Norwegian housing policy to contribute to maintaining “well-functioning housing markets” (Berit Nordahl, 2012a, p. 21), meaning relatively weak state involvement and low levels of market regulation. Affordable housing for households with regular incomes were organized as cooperatives consisting of tenant-shareholders; after the deregulation of the 1980s these shareholders became fully fledged homeowners that could sell their homes to the highest bidder in the market (Sørvoll, 2014, p. 188). This was significant because cooperative housing accounted for a considerable proportion of housing in Oslo.

Critical juncture 3: 1995 - the big shift in the provision of social housing from general brick and mortar subsidies to selective economic support to disadvantaged groups
In the 1990s and 2000s, social housing policy developed into a strictly means-tested welfare service aimed at the particularly disadvantaged (Sørvoll, 2011, p. 3). In the 21st century, housing policies has turned into a part of ‘the fight against poverty’ and targets the particularly disadvantaged (Berit Nordahl, 2012a, p. 29). A good example of this development is the following extracts from The Norwegian State Housing Bank’s objectives. The Norwegian State Housing Bank no longer has the role as a “tool to realize goals of considerable housing construction, stable conjunctures, and social- and regional equalization” and “ [...] not to turn the housing problem into something that only concerns the poor”, (Sørvoll, 2011, p. 7), quite the opposite. The institution’s current goal is:

“The Housing Bank’s social mission is to prevent people from becoming disadvantaged in the housing market, and to help the disadvantaged to acquire and maintain their own housing. [...] supports the municipalities, the voluntary sector, the construction sector and others by developing knowledge and transferring expertise.”
(Husbanken, n.d.)

Today the municipalities have a selective, more passive, approach, where the responsibilities have been narrowed down to market facilitation and social housing (Aarland & Sørvoll, 2020). Oslo Municipality’s current housing policies is based on the City Government’s report 2/2008 which states that “everyone has responsibility for their own life and their own welfare. At the same time as it is an important task to assist people who, for various reasons, are in difficult life situations” (Oslo kommune, 2019a, p. 10). The municipality’s housing policy “are about assisting the disadvantaged in the housing market by providing housing, offering financial incentives and helping the individuals manage their housing situation” (Oslo kommune, 2019a, p. 10). The market has become the predominant distribution mechanism of housing provision, and the state and municipalities serve as a regulatory authority – as a gatekeeper (Berit Nordahl, 2012b, p. 99). Their objective is to ensure a “well-functioning housing market”, which is the main goal of current national Norwegian housing policy (Berit Nordahl, 2012a, p. 21).

This critical juncture is relevant for the discussion of the policy paper because the transition to selective subsidies for the disadvantaged as a replacement for general “brick and mortar subsidies” arguably has restricted Oslo municipality’s room for maneuver in affordable housing policy. The recent attempt to revive affordable housing are made on market terms, with a minimum of subsidies (cf. criteria 4: subsidy-friendliness), which stands in stark contrast to “the golden era of the housing cooperatives” and other countries, such as Denmark, who have a comprehensive third housing sector (Alves, 2019; Sørvoll & Bengtsson, 2020).

The four criteria for “testing” and weighting the strength of path dependence

Here I present the four criteria for discussing and measuring the strength of path dependence. All criteria are inspired by the critical junctures outlined above.

Owner-orientation

Owner-orientation addresses the extent to which the policies are aimed at owner-occupied housing. If the policies are largely owner-oriented, this indicates a strong path dependence. This criterion is derived from critical juncture 1: The deal with OBOS in 1935. The reason for this choice is the significance of the deal in the transformation of Oslo to a city of homeowners and the establishment of the cultural norm of home ownership, which characterizes current housing policy.

Rental-friendliness

Rental-friendliness addresses the degree to which rental housing is prioritized in the policies. If this is done to a low degree, it would indicate that the path dependence is strong. This criterion is also a product of critical juncture 1: The deal with OBOS and the low priority placed on rental housing after 1945. The OBOS-deal was related to a certain aversion to rental housing and a priority of the ownership line that meant skepticism and downgrading of rental housing – especially by the large-scale private actors. Arguably, this skepticism lingers today.

Market-orientation

Market-orientation focus on whether the strategies challenge free market principles. If the policies are based on a limited degree of involvement from the public sector, this suggests a strong path dependence. Critical juncture 2, the deregulation of the cooperative housing

sector, gave rise to the criterion of market-orientation. This is reasoned by the fact that this marked the beginning of a housing regime characterized by weak state involvement and low levels of market regulation, which is still prominent today.

Subsidy-friendliness

Subsidy-friendliness gives an indication of the public sector's willingness to finance measures for provision of affordable housing. If the subsidy-friendliness is low, this demonstrates a strong path dependency. Critical juncture 3, the big shift in social housing policy, is the inspiration for this criterion. I have identified this criterion to be of importance because the transition to selective subsidies for the disadvantaged as a replacement for general "brick and mortar subsidies" arguably have had a great influence on the current unwillingness to subsidize affordable housing measure to any great extent.

Data collection

The analysis in this paper is primarily based on the City Government of Oslo's policy paper *Nye veier til egen bolig* (Oslo kommune, 2019b). I have complemented the analysis with excerpts from news media articles that I have gathered from a systematic search in the media archive Atekst.

Systematic search

In order to get an impression of the debate surrounding affordable housing I have conducted a systematic search in the news media archive *Atekst*. The initial plan was to do a similar search in eInnsyn, the City of Oslo's electronic access system. But, with reference to the Information Act, I was denied access to a great majority of the relevant documents and therefore I chose not to include these.

I did a systematic search to clarify the scope and limitations of the material that is included in the analysis. I have not made a systematic analysis of the search results from *Atekst* due to the limited scope of the thesis, and because I decided to focus on the official housing policy of the City government. However, I have included excerpts from the *Atekst*-search that compliments the discussion of the policy plan to give readers an idea of the content in the public debate.

Search in Atekst

I carried out the search in *Atekst*, the largest news archive in the Nordic countries, on the 06.04.2020. I included 'all sources' and did one search, as shown in the table below. In the test search I used the search phrases («tredje boligsektor*» AND «Oslo»), («tredje boligsektor*») and («nye veier til egen bolig»), with 01.07.2018 to 02.03.2020 as included dates. What I found was that («nye veier til egen bolig») had relatively few hits (34 in total), and most of the articles was a general discussion of the Platform for City Government 2019-2023, and not specifically about affordable housing strategies. The phrase («tredje boligsektor*») was too broad, so I narrowed down the search to («tredje boligsektor*» AND «Oslo»). The number of hits in this search (165 in total) was too extensive for this paper and I narrowed further down to exclude dates prior to 01.09.2019. The justification for this choice was to include the launch of the Platform for City Government 2019-2023 and the debates following the launch.

Search phrase	Dates included	Number of hits	Total (after removing duplicates)
(«tredje boligsektor*» AND «Oslo»)	From 01.09.2019 to 01.03.2020	81	47

Table 1 *Systematic search*

I used the following exclusion criteria:

Exclusion criteria:

1. Not having housing policy in Oslo as one the main focuses of the article.
2. Duplicates

After removing duplicates (20 publications) and articles based on the exclusion criteria (14 publications), I ended up with a total of 47 papers to include in the analysis.

Analysis

This chapter provides a more thorough review of the policy paper: *Nye veier til egen bolig* (Oslo kommune, 2019b). I will begin with a summary of the main points of the policy plan, before I go into more detail on the suggested strategies and pilots. These are used as a point of reference in the subsequent discussion of the content of the policy. In order to put pilot 1: Rental housing inspired by Almenbolig+ in context, I have devoted much attention to the Danish case of Almenbolig and Almenbolig+. This was necessary in order to provide the reader a framework of understanding that lays the foundation for the further discussion about the Norwegian adaption of Almenbolig+ , where the Danish model poses as a basis for comparison.

The steady rise in prices has increased housing wealth and made home ownership attractive in Oslo (Oslo kommune, 2019a, p. 25; Revold et al., 2018). The downside is that at the same time, it has diminished the purchasing power of those who are outside the market. According to Brattbakk et al. (2015) the number of people in Norway who need help to obtain a place to live has been sharply increasing the last decades, especially in the cities (p. 71).

‘There are two housing sectors in Oslo, the private and the municipal. Beyond that, we do not really have an offer for those who are not disadvantaged, but still have problems entering the housing market. That is why we’re working with a separate sector – a third housing sector – as they have for example in Denmark, Germany and England’ Hanna Marcussen, the leader of the city development council (Green party/MDG) (Almendingen, 2020).

The policy paper proposes suggestions of how to expand current municipal housing policy to include groups that are not eligible for social housing, nor are able to get into the market themselves – the inbetweeners. It is purely a recommendation to the City Council, the municipality’s highest political authority, to introduce these measures. Consequently, whether the strategies will be implemented or not remains to be seen as it is still up for discussion. Regardless, it is worth giving some attention to the policy paper because it addresses some of the problems in Oslo’s housing market and the fact that it is pioneering in its focus on the third housing sector.

The intention of the City Government is to create new paths into the market for the inbetweeners. Even though the term is not applied in the policy paper, some of the suggested strategies falls under the definition of ‘affordable housing’ as shown in figure 1.2.

Main goals of *Nye veier til egen bolig*

The policy paper states two main goals which concern two different parts of the housing sector: owner-occupied housing and the rental housing. It is stated that the City Government wish to “[...] continue the Norwegian line of ownership and test strategies and instruments meant to give more people the opportunity to buy a suitable home and get a stable living situation, and [...] work to develop a more social and inclusive rental market with more non-commercial alternatives” (p. 4).

The purpose of the policy paper is to facilitate “an expansion of the municipal housing policy that will contribute to provide solutions in market-based housing and the rental market that are currently not covered by the municipal housing offer and the city’s planning for private housing construction” (p. 4). There are three suggested strategies attached to each of the two goals, which is a pointer on how the City Government intends to expand the municipal housing policy.

Goal 1: Enable more people to buy a home

- Strategy 1a: Contribute to construction of housing with sales prices lower than the market price.
- Strategy 1b: Improve the financing schemes to enable more people to buy a suitable home.
- Strategy 1c: Work with the national regulatory framework to dampen the increase in housing prices.

Goal 2: Increased stability and predictability in the rental market

- Strategy 2a: Achieve greater diversity and stability through municipal rental projects
- Strategy 2b: Facilitate for large-scale private actors to establish sustainable and stable rental housing.
- Strategy 2c: Work with the national regulatory framework that secures good and predictable tenancies within small-scale private rentals.

An additional goal is for the municipality to continue to facilitate for a high rate in housing construction to curb inflation, but this is a measure on state level and is therefore not given much attention in the document (p. 5).

The pilot projects in *Nye veier til egen bolig*

The City Government of Oslo has started working towards five small-scale pilot-projects that contribute to achieve the stated objectives in the policy paper. The plan is to test these before they can assess whether it is feasible with implementation at a large-scale.

1. Pilot 1: Rental housing inspired by the Danish Almenbolig+-model
2. Pilot 2: Housing for first-time buyers (*etablererbolig*)
3. Pilot 3: Combined municipal housing in Hagegata 30
4. Pilot 4: Combined municipal housing at Skøyen/Bestumkilen
5. Pilot 5: Combined municipal housing in apartment buildings purchased on pre-emption rights

Due to the limited scope of this paper, I have chosen to focus on the first two pilots, Pilot 1 and Pilot 2. These suggested strategies are ‘affordable housing’ as the term is operationalized in this paper and pilot 3-5 is more similar to ‘social housing’ (as defined in figure 1.2).

Goal 1: Enable more people to buy housing

Strategy 1a: contribute to construction of housing with sales prices lower than the market price

Strategy 1a (Oslo kommune, 2019b, p. 5) is in line with pilot 2: Housing for first-time buyers. The intention is for the municipality to contribute to the implementation, but that it should be done with a minimum of municipal subsidies. It is emphasized that it is important that this should not only benefit the first buyers but remain a permanent arrangement. This strategy is explained in more detail in the section about pilot 2.

Strategy 1b: improve the financing schemes that enables more people to buy a suitable home

Strategy 1b (Oslo kommune, 2019b, p. 5) is a proposal for an extension of the current loan scheme for those who are not able meet the equity requirement of 15 per cent. It also opens up for making use of new instruments for achieving this.

Strategy 1c: work with the national regulatory framework to dampen the effect on the increase in housing prices

Strategy 1c (Oslo kommune, 2019b, p. 6), proposes a study to gain more knowledge about ways that the municipality can limit housing price increases. This strategy proposes measures to curb prices similar to the amendment to the mortgage regulations that was adopted in Oslo in 2016, which set an equity requirement of 40 per cent for the purchase of secondary residencies.

Goal 2: Increased stability and predictability in the rental market

Half of the strategies deals with the rental sector and the development of a more “social and inclusive rental market with more non-commercial alternatives” (Oslo kommune, 2019b, p. 4).

Strategy 2a: Achieve greater diversity and stability through municipal rental projects

In strategy 2a the idea is to combine affordable housing with housing for the particularly disadvantaged, i.e., those who qualify for traditional social housing (Oslo kommune, 2019b, p. 6). It is suggested to loosen up the strict means-tested criteria that apply today and open up the social housing sector to a larger group. It is emphasized that this should be done without any great extent of subsidization. Therefore, it is based on cost-covering rent and a self-management principle. The rents are kept low by streamlining the building process to keep the construction costs to a minimum, and through giving the tenants responsibility for maintenance and the running of the apartment complexes. The City Government believes that this can enable efficiency in the social housing supply, be a better utilization of municipal buildable plots and could contribute to a more diverse resident composition. Strategy 2a coincides with the main lines of pilot 1: rental housing inspired by the Almenbolig+-model, which is further elaborated on later in this chapter and in the discussion.

Strategy 2b and 2c – facilitation of the rental sector

Private small-scale rentals are pointed out as one of the main problems in the rental sector (Oslo kommune, 2019b, p. 2). This type of rental housing is what makes up the majority of the sector in Oslo. Small-scale rentals are characterized as unstable and unpredictable, with landlords that do not have a good dialogue with the tenants or the boards of cooperatives or freehold associations (*sameier*), nor the interest of cooperating for the sake of safeguarding a good living environment (Oslo kommune, 2019b, p. 3).

Strategy 2b: facilitate for large-scale private actors to establish sustainable and stable rental housing (Oslo kommune, 2019b, p. 6), and strategy 2c: work with the national regulatory framework that secures good and predictable tenancies within small-scale private rentals (Oslo kommune, 2019b, p. 6), both criticize the ‘unpredictable and unstable’ tenancies associated with small-scale private actors. It is argued that small-scale landlords do not have the same long-term investment interests as larger private rental companies, and that they are more prone to violate the Rent Act (*Husleieloven*). In strategy 2b, the suggested solutions to this problem are to facilitate for the large-scale private industry players to have a greater role in the rental market. This is to be done through financial incentives and/or referral agreements, where private actors undertake to provide housing for a given number of residents assigned by the municipality.

In strategy 2c several measures to professionalize the small-scale rental sector is proposed. In order to increase the stability and predictability of leases, it is suggested to review the legislation and to offer guidance for both landlords and tenants, with the intention of professionalizing the sector.

The pilot projects

Pilot 1: Rental housing inspired by the Danish Almenbolig+-model

Almenbolig in Denmark

The Danish social housing is based on a distinctive type of housing called *Almene boliger*. This is a kind of non-profit housing “governed by a relatively complex interaction between the state, the municipalities, the housing associations (*almene boligselskaber*), and the tenants” (Skovgaard Nielsen & Haagerup, 2017, p. 43). The proportion of people living in *almene boliger* in Denmark rose steadily from the 1960s until 2010s, while those living in private rental housing simultaneously decreased (L. Jensen, 2006, p. 46; Scanlon, Whitehead, & Arrigoitia, 2014, p. 78). Today, there is approximately 500.000 *almene boliger* in the country, which constitutes just under a fifth of the total housing stock (Trafik- Bygge- og Boligbestyrelsen, n.d.). A small part of the social housing sector, approximately 2 per cent, is run by the state, and this does not constitute a part of the *almene bolig*-sector (Scanlon et al., 2014, p. 78).

While the state and municipalities have an executive and regulatory role, the *almen bolig*-sector is primarily run by the housing associations and the tenants themselves, within the law of social housing (Scanlon et al., 2014, p. 77; Skovgaard Nielsen & Haagerup, 2017,

p. 145). The housing companies receives public financial support from the state and municipalities for construction of new housing, maintenance and payment of loan interest (L. Jensen, 2006). *Almene boliger* is allocated through waiting lists, social eligibility criteria and internal queuing systems for housing upgrades (L. Jensen, 2006, p. 48). The rent is determined by the construction costs and operating costs (L. Jensen, 2006, p. 49).

The translation of *almene boliger* is ‘public housing’. As the name implies it was initially meant to be housing for the broader part of the population (Skovgaard Nielsen & Haagerup, 2017, p. 144). It still plays an important role in Danish social housing policy through the provision of social housing (L. Jensen, 2006, p. 46). The municipalities have the right to assign tenants to at least 25% of vacancies in the units disposed of by housing association (Scanlon et al., 2014, p. 81) and several other means to control the resident compositions. Amongst these are combined letting (*kombineret udlejning*) and flexible letting (*flexible udlejning*) (Skovgaard Nielsen & Haagerup, 2017, p. 145). The first scheme gives the municipality the possibility to omit certain applicants, as for example social benefit recipients, when approving housing applications. The latter open up to move desired, more resourceful, applicants forward in the queue for housing in vulnerable areas.

AlmenBolig+ - A Danish model

In 2007, the Danish Ministry of social affairs decided to carry out a trial project for a new public housing scheme named *AlmenBolig+* (J. O. Jensen & Stensgaard, 2016, p. 6). This was meant to be a cost-effective type of housing that function as a hybrid between the traditional *almenbolig* and owner-occupied housing (Skovgaard Nielsen & Haagerup, 2017, p. 146). The underlying thought was to improve the competitiveness of the *almenbolig*-sector in the housing market.

The self-management principle is a core element in *AlmenBolig+*. To make the housing scheme more cost effective and reduce the residents’ housing expenses, the tenants are given the responsibility for the maintenance and running of the estate. *AlmenBolig+* is especially targeted towards “young families with children, that wish to live in rental housing in or around the major cities, and that would like to take part in the formation and the running of the building” (J. O. Jensen & Stensgaard, 2016, p. 5).

The Norwegian adaption of Almenbolig+ (Pilot 1)

Pilot 1 is inspired by the Danish model as explained above. It is emphasized that this should not require a large degree of subsidies and that the model should be cost-effective: “[...] test solutions to reduce rental prices, among other things by streamlining the construction processes and letting residents perform various operation and maintenance tasks” (Oslo kommune, 2019b, p. 7). The target group for this pilot is the inbetweeners: “[...] groups that do not qualify for municipal social housing services today” (Oslo kommune, 2019b, p. 7).

Pilot 2: Housing for first-time buyers (etablererbolig)

Pilot 2 (Oslo kommune, 2019b, p. 7) is based on the idea that the municipality is to build and sell housing. In order to keep the prices below market-level the municipality will retain ownership of a suggested proportion of 20 percent per unit. This will be considerably cost reducing for the buyer as one can buy 80 percent of the unit at 80 percent of the market price. At the same time, the municipality wish to reduce the building costs with 20 percent of market value – but how they are going to achieve this is not made clear. The target group for this scheme is those who are not able to obtain a mortgage themselves. When the units are resold, the owners get their 80 percent back, including the value increase. In other words, it helps the residents become independent in the market and to advance in their housing career. When the units are resold, the municipality keeps its 20 percent share and thereby are able to provide a sustainable offer of owner-occupied housing sold below market price.

Discussion

In the following chapter, I discuss and measure the degree of path dependence in affordable housing policy in Oslo based on the four criteria I have formulated. The chapter is structured in four parts, each of which deals with one of the four criteria in the following order: 1) owner-orientation, 2) rental-friendliness, 3) market-orientation and 4) subsidy-friendliness.

The point of reference in the subsequent discussion is the policy document, *Nye veier til egen bolig* (Oslo kommune, 2019b). I have placed more emphasis on the policy paper than the media debates because the policy paper is deliberated across political parties and provides guidance for what policies they intend to implement. Hence, it reflects official affordable housing policy. To illustrate my points, I have supplemented the discussion with excerpts from the media debate that is retrieved from the systematic search.

Criteria 1: Owner-orientation

Owner-orientation addresses the extent to which the policies are aimed at owner-occupied housing. If the policies are largely owner-oriented, this indicates a strong path dependence. This criterion is derived from critical juncture 1: The deal with OBOS in 1935 and the subsequent promoting of owner-occupied housing because of the significance of the deal in the transformation of Oslo to a city of homeowners and the establishment of the cultural norm of home ownership, which characterizes current housing policy.

In general, Norwegian housing policy is predominantly owner-oriented: “A main premise in Norwegian housing policy throughout the post-war period and until today has been that the path to a good and safe living situation is based on people having the opportunity to own their own home” (Oslo kommune, 2019b, p. 3). Even though there is some disagreement between the major political parties of the proceedings, there is a broad political consensus that different forms of home ownership is the preferred means of provision of affordable housing (Bengtsson et al., 2017, p. 12; Sørvoll, 2011, p. 2). In the policy paper it is stated that the City Government “wish to continue the Norwegian line of ownership and test strategies and instruments meant to give more people the opportunity to buy a suitable home and have a stable living situation [...]” (Oslo kommune, 2019b, p. 4) and this is reflected in goal 1: Enable more people to buy a home. The proposed strategies to achieve goal 1 are: strategy 1a: Contribute to construction of housing with sales prices lower than the market price, strategy 1b: Improve the financing schemes to enable more people to buy a suitable home, and strategy 1c: Work with the national regulatory framework to dampen the increase in housing prices. These are explicitly owner-oriented, similar to the main line in Norwegian housing

policy. I have chosen to focus on strategy 1a because this strategy, and the associated pilot 2, is equivalent to the definition of ‘affordable housing’ I have used in this paper: “lower sale and rental prices than market prices” (fig. 2). The last sections deal with aspects of the policy document that are more implicitly owner-oriented.

Strategy 1a: ‘Housing for first-time buyers’- an entrance ticket to the market

In the policy document, it is stated that ‘persons with relatively normal income’ who do not qualify for social housing, i.e. the inbetweeners, cannot afford to buy a suitable place to live because of the price levels (Oslo kommune, 2019b, p. 1). These people, the inbetweeners, are defined as young people in the establishment phase, single parents and single households. It is worth noting that the policy plan revives young people as a prioritized group. Young people have received some consideration in housing policy in the past, but has not been a special priority ever since ‘the disadvantaged’ became the center of attention in social housing policy at critical juncture 3: the big turn in provision of social housing in the 1990s (Sørvoll, 2011, p. 4).

Strategy 1a proposes the establishment of ‘housing for first-time buyers’ and four out of five pilots (pilot 2-5) includes implementation of this scheme. The suggested construction of housing with sales prices lower than the market price, ensures that those who otherwise would not be able to enter the market themselves, still get an opportunity to become homeowners.

An interesting aspect that is not specified is how long the residents are expected to live in this type of housing. However, it is repeatedly emphasized that “[...] the model will be sustainable because the same offer to buy a home at reduced price can be maintained for future buyers without the municipality having to make new investments” (Oslo kommune, 2019b, p. 8). Based on this one can assume that ‘housing for first-time buyers’ is not intended to be permanent housing, but a temporal solution that are aimed to assist those who are disadvantaged on the housing market by giving them an ‘entrance ticket’ to the ordinary market and help them further advance their housing career.

The ‘sense of ownership’

An example of an aspect of the policy document that are more implicitly owner-oriented is the arrangement of the Almebolig+-scheme. Based on the Danish model, it may look like an attempt to make rental housing almost identical to owner-occupied housing in the way of residents’ attitudes and obligations to the property. During the golden era of the cooperatives,

the residents was referred to, and referred to themselves, as tenants, shareholders and shareholder-tenants (Annaniassen, 2006, p. 48). This tendency was seen as problematic due to what was perceived as the negative features of tenancies, contrary to the preferred attitude of ‘the sense of ownership’, which was arguably a product of establishment of the cultural norm and the extensive focus on home ownership (cf. critical juncture 1). The preference for an ‘owner-attitude’ is exemplified by this quote from OBOS:

“It is not OBOS as a company who owns the apartment, but it is their own property which the residents must manage at their best discretion, and in the best possible way. When the members [of the cooperatives] understands that they are *the* cooperative, it will be much better and easier to keep everything in order” (Annaniassen, 2006, p. 92).

The reason why the lack of ‘the sense of ownership’ was seen as a problem was the assumption that the tenants did not feel the same obligation to manage the property in a reasonable way, and that this was disruptive of the sense of co-ownership and community the cooperatives were trying to create (Annaniassen, 2006, p. 88). The unwanted behavior was referred to as ‘a mindset of a tenant’ (Annaniassen, 2006, p. 88). The Almenbolig+-model is arguably an attempt to promote ‘the sense of ownership’ and to curtail ‘the mindset of a tenant’ among the residents in order to reduce the costs that are usually associated with municipal social rented housing. It is conceivable that ‘the sense of ownership’ is a prerequisite for the model to work because it requires a great deal of effort from the residents.

The problem is not the lack of available housing, but the accessibility of the market
An example of how the cultural norm of home ownership (cf. critical juncture 1) affects the housing debate in the news media is the widespread conception of Oslo’s housing market as being ‘impossible’ to enter and the difficulties of obtaining a place to live in the city (Evenrud, 2019; Holtvedt, 2020). The journalist Anders Slettholm counters this in a commentary: “last year, the number of first time buyers in Oslo was higher than in seven years” (Slettholm, 2020). The claim that the situation is not as gloomy as it is frequently presented is supported by the Norwegian Central Bureau of Statistics’s report on housing condition, which states that the number of young homeowners has been relatively stable since the 2000s (Revold et al., 2018, p. 16). Slettholm further argues that ‘the problem in the housing market is [...] not that people can’t find a place to live. The rents are still

surmountable. What people is struggling with is the access to a market that has served large sections of the Norwegian population very well' (Slettholm, 2020). In other words, there are rental homes available at a reasonable price, but this is excluded as an alternative. Arguably, this demonstrates a path dependence on a rhetorical level (cf. Grube, 2016) When repeated frequently that there is not enough available housing it becomes 'a truth', even though the main problem may be the lack of affordable housing in a particularly liberalized housing market. The excerpt arguably it provides a good example of the shaping of the housing debates and how common beliefs may be the result of policies that have been pursued over time.

What degree of path dependence do the criteria of owner-orientation indicate?

The suggested strategies in the policy document are a continuation of the Norwegian line of ownership and homeownership is the preferred means of housing provision in the policy paper. As is illustrated by pilot 2 that aims to help people who are not able to enter the market themselves to become homeowners – giving them an 'entrance ticket'. This arguably indicates a high degree of path dependence.

The exception of the prioritization of homeownership is the Almenbolig+-scheme (pilot 1), which is exclusively based on rental housing. The provision of long-term rental housing, aimed at the inbetweeners and not the particularly disadvantaged, is disruptive of the Norwegian ownership line and adds a new segment to the municipal social housing sector. Based on the Danish model, it seems to be meant as a long-term rental offer, which contradicts the contemporary norm. A full-fledged implementation of this would be groundbreaking in a Norwegian context. At the same time, a prerequisite for pilot 2 to be feasible is the residents having 'the sense of ownership'. Arguably, this shows how the ownership-orientation makes its mark on rental sector - that the cultural norm of home ownership affects the strategies for rental housing.

Criteria 2: Rental-friendliness

Rental-friendliness addresses the degree to which rental housing is prioritized in the policies. If this is done to a low degree, it would indicate that the path dependence is strong. This criterion is also a product of critical juncture 1: The deal with OBOS and the low priority placed on rental housing after 1945, because the deal was related to a certain aversion to rental housing and a priority of the ownership line that meant skepticism towards and downgrading of rental housing.

A considerable part of the policy document is dedicated to improving and expanding the rental sector (goal 2 and strategy 2a-c): “The City Government will work towards a more secure housing market, both for homeowners and for tenants” (Oslo kommune, 2019b, p. 9). In the policy document it is emphasized that especially those lower on the income scale often remain in the rental market without much opportunity to get out (Oslo kommune, 2019b, p. 2). In fact, the majority of tenants in Oslo are from low-income groups (Oslo kommune, 2019b, p. 2). The strategies and pilots that concerns rental housing either have a target of improving the rental sector in more general terms, such as Strategy 2b: facilitate for large-scale private actors to establish sustainable and stable rental housing and strategy 2c: Work with the national regulatory framework that secures good and predictable tenancies within small-scale private rentals. Strategy 2a: achieve greater diversity and stability through municipal rental projects and pilot 3-5 are more targets he disadvantaged and the inbetweeners: “The target groups for this type of rental housing will primarily be groups who have difficulty establishing stable living conditions and who do not currently qualify for social housing”(Oslo kommune, 2019b, p. 6).

A continuation of the anti-landlord sentiments – the small scale rentals

Contrary to the time of critical juncture 1, it is the small-scale private rentals, not the large-scale actors, who are held responsible for the poor standards in today’s rental market. The policy paper indicates that the small-scale actors are to blame for the unpredictability and large replacement that characterize the current rental sector: “Districts point out that private small-scale rentals in condominiums creates challenges with insecurity and unpredictability for the tenants, and for the living environment of the residents” (Oslo kommune, 2019b, p. 3). It seems like that this kind of tenancy is perceived to impair the ‘ownership mentality’ in the condominiums. In strategy 2b, the City Government wish for large-scale professional actors to increase their share in the rental market.

Another problematic aspect that is mentioned in relation to small-scale actors in the rental market is secondary residencies purchased for rent. Despite the amendment that was adopted in Oslo in 2016 and a more modest price increase in the rental market (Oslo kommune, 2019b, p. 6), it is still profitable to acquire secondary residencies because of the stable price increases the past twenty-five years.

Arguably, this suggests that the anti-landlord sentiment still exist but that the skepticism is now directed at small scale rentals. The ambition in the policy plan is to

improve the rental sector and large-scale actors seems to be the preferred providers. This is a prioritization of the rental sector, on the City Government's terms.

Almenbolig+ - a prioritization of rental housing?

In the light of the development in Norwegian housing policy over the past 30 years (cf. critical juncture 3), the suggested adaption of Almenbolig+ (Pilot 1) is arguably groundbreaking for two reasons: 1) The target group seems to differ significantly from the one of traditional social housing in Norway, and 2) The long time frame of the leases. Based on the Danish model, it seems to be meant as a long-term rental offer, which contradicts the current norm of social housing as a temporary stopover.

But, Almenbolig+'s transferability to a Norwegian setting is debateable. The policy paper makes a reservation that “ [...] it is differences in how the housing sector is structured in Norway and in other countries [...] what works other places might be less suitable or hard to implement in Norway” (Oslo kommune, 2019b, p. 4). This is a key point, because in order to carry out a similar project, Oslo municipality might have to adopt some of the tools that Copenhagen uses in the selection process of the residents - combined letting (*kombineret udlejning*) and flexible letting (*flexible udlejning*). This will probably be harder to politically justify as there is a long waiting list to live in social housing, even among those who qualify through today's strict criteria (Brattbakk et al., 2015, p. 73). In Oslo, the rents in traditional social housing is based on the 'principle of the average rent' (*gjengs leie*) (Sørvoll, 2019, p. 55), which means that it is determined on the basis of market-level rents. The idea of the AlmenBolig+-concept is to reduce rent to around 30 per cent below market-level, and this may result in the Almenbolig+-rents being lower than in municipal social housing. Considering who is the target groups for the two different types of housing, the particularly disadvantaged and the inbetweeners, this might pose a challenge. In addition, there is also a considerable number of people who are 'inbetweeners' – how to prioritize within this group when the precondition is that the residents have the right resources for taking responsibility for the maintenance and running of the building?

What degree of path dependence do the criteria of rental-friendliness indicate?

Despite the fact that a significant part of the strategies suggests improvements in the rental sector (strategy 2a-2c), rental housing never is mentioned as a desired outcome on the same level as home ownership. Home ownership is highlighted as something exclusively positive in the policy plan and it is striking that there is no mention of the potential risk for the individual

homeowner as for example sensitivity for price fluctuations in the market. Nor is any of the benefits of rental housing mentioned, as for example the flexibility it provides. Which arguably is a reminiscent of the downgrading of rental housing at critical juncture 1.

Yet, even though there is nothing in the policy plan that suggests re-positioning rental housing alongside owner-occupied housing as a type of tenure of significance in housing policy, parts of the policy paper do prioritize the rental sector. Strategy 2a-2c push for improvement of the sector through facilitation and expansion. The suggested adaption of Almenbolig+ adds something new to current policy by promoting rental housing as a permanent housing arrangement for a group that extends beyond those most in need, i.e. the inbetweeners, which is not in line with the recent transformation of the Norwegian social housing sector to a part of ‘the fight against poverty’ (cf. critical juncture 3). Hence, the Almenbolig+-scheme represents considerable a disruption of the social housing principles that has been prominent since 1990s. This is arguably indicative of a moderate to low degree of path dependency.

Criteria 3: Marked-orientation

Market-orientation focus on whether the strategies challenge the principles of the free market. If the policies have a limited degree of involvement from the public sector, this suggests a strong path dependence. Critical juncture 2, the deregulation of the cooperative housing sector, gave rise to the criterion of market-orientation, which marked the beginning of a housing regime characterized by weak state involvement and low levels of market regulation.

“The price development has changed important premises for current housing policy”
Since the deregulation of the cooperative housing sector, the market has been the main regulator of housing allocation. Until then, the municipalities, the state and the cooperatives had the role of providers where they took responsibility for offering (affordable) housing to the population as a whole – as a part of the collective Norwegian welfare services. The public sector’s role has been reduced to a facilitator of the market (a gatekeeper) and housing policy is mainly aimed at assisting the disadvantaged (Oslo kommune, 2019a, p. 10). What makes the policy document particularly interesting is that the concept of affordable housing deviates from the direction social housing policy has taken after the deregulation. It is a recognition of the markets inability to distribute housing evenly. This is evident in the policy document:

“The sharp rise in housing prices throughout the 2000s has led to the market no longer being able to cover the population’s housing needs and an increasing number of people are having difficulty entering the housing market. In this manner, the price development has changed important premises for current housing policy” (Oslo kommune, 2019b, p. 2).

Does this mean that the City Government is trying to challenge the principles of the free market and break free from the path that was laid at critical juncture 2 when the market was liberalized?

“The municipality has to develop solutions that do not involve a high degree of municipal subsidies”

Arguably, critical juncture 2 contributed a great deal to reduce the available housing policy instruments to achieve the means of affordable housing – it constitutes an example of path dependence coming to the fore because “implementation strands as a result of restrictions based on previously implemented policy” (Kiøsterud, 2005, p. 40). Oslo municipality no longer has the political instruments for a large housing supply that was available in the postwar period, as a wide deposit of buildable land plots and accessible offers of favorable construction loans through the Norwegian Housing Bank. This limits the prospect of creating a third housing sector that exists in parallel with, and not on the terms of, the market, like the *almenbolig*-sector in Denmark. This is evident in the following quote from the policy document:

“Many of the identified measures that can provide affordable housing involves various forms of public subsidization of housing prices, either directly through subsidies or indirectly through the sale of municipal land with clauses to build affordable housing. In line with the criteria for choosing solutions, it is necessary to further investigate the opportunities the municipality has to develop solutions that do not involve a high degree of municipal subsidies” (Oslo kommune, 2019b, p. 9).

The policy document excludes the alternatives to use the same measures that were utilized in the postwar period for large-scale provision of housing in the regulated market. It is evident that the role of the public sector is intended to be limited, and according to the criterion, this indicates a strong path dependency.

The principle of equality – everyone should own a home, but preferably not several
The policy document challenges the market by its critical stance towards ownership of secondary residences. This is exemplified by the following quotes: “Expectations of price growth and the possibility of a stable return in the form of rental income have led to a large number of homes being bought by private individuals as secondary residences” (Oslo kommune, 2019b, p. 2) and “The fact that more people are investing in secondary housing contributes to increased pressure on the market” (Oslo kommune, 2019b, p. 2). It is estimated that about 20 per cent of the total number of apartments in Oslo are secondary residences (Oslo kommune, 2019b, p. 3) To hamper this trend the amendment to the mortgage regulations was adopted in Oslo in 2016, where the equity requirement for the purchase of secondary housing was set to 40 per cent. Goal 1c proposes further measures to reduce the number of secondary residences. It is proposed to “contribute to more people being able to buy a suitable home than if the price increase had been sharper” (Oslo kommune, 2019b, p. 6) Goal 1c challenge the free market principles by limiting access to the market - the city council has taken on the role as ‘master’. This provides an example of how the policies are located at the intersection of social democratic welfare policy and the free market - everyone should own a home, but preferably not several. The housing supply is left to the market, as long as it is deemed to be fairly distributed.

What degree of path dependence do the criteria of market-orientation indicate?

The policy plan challenges the principles of the free market in several ways. Strategy 1a: contribute to construction of housing with sales price lower than the market price, which is discussed in more detail in the discussion of the first criterion, is also relevant to address in relation to market-orientation. The suggested measures in strategy 1a is provision of housing sold below market price, such as pilot 2: ‘housing for first-time buyers’. This strategy does have the potential to have an impact the general price development on the housing market if carried out in a large scale. But based on a) the policies being aimed at the inbetweeners, a group that we don’t know the size of as this is not clarified, and b) the assumption that ‘housing for first-time buyers’ is not intended as a permanent housing arrangement, it is not certain that the scope of the strategy will be large enough to have any impact on the market as such.

In strategy 1c, it is suggested to introduce further regulations to reduce the number of secondary residences. This strategy does challenge the free market-principles because it is a

measure intended to dampen the price increase by making more homes available on the market. Despite the fact that it is not part of the policy document, it is worth mentioning the Platform for City Government 2019-2023 (Oslo Byråd, 2019) in this context. In the platform it is stated that “In the long term, the City Government’s goal is for at least 20 per cent of the homes in Oslo to be affordable housing” (Oslo Byråd, 2019, p. 37). If this was to be realized, which is unlikely within the current framework, this would indeed challenge the principles of the free market and potentially drastically change parts of Oslo’s housing market. In that case, the third housing sector would exist in parallel with the market, which is somewhat reminiscent of the cooperative housing in the post-war period.

Arguably, the strategies constitute a middle ground between facilitation and disruption of the principles of the free market, and this limits the strength of the path dependence. Norwegian housing policy is built upon the principle that the market should provide housing for the majority of the population, but the policy document is a recognition of the markets inability to distribute housing evenly and some of the proposed solutions to this are not in line with market principles. The latter is exemplified by these strategies: housing sold below market price (strategy 1a), trying to curb the price increase (strategy 1c), extending the social housing sector (strategy 2a) and (to some extent) having greater control over small-scale private rentals (strategy 2c). At the same time there is a considerable degree of market-orientation as one of the suggested solutions to the shortage of affordable housing is to get the inbetweeners into the ‘ordinary’ housing market by giving them an ‘entrance ticket’ (strategy 1a), and better funding schemes for those who are unable to accumulate enough equity (strategy 1b). In addition to facilitation large-scale private actors to take over a larger share of the rental market (strategy 2b).

Criteria 4: Subsidy-friendliness

Subsidy-friendliness gives an indication of the public sector’s willingness to finance measures for provision of affordable housing. If the subsidy-friendliness is low, this demonstrates a strong path dependence. This criterion is based on critical juncture 3, the big shift in social housing policy, because this arguably have had a great influence on the current unwillingness to subsidize affordable housing measure to any great extent. The discussion about this criterion is somewhat briefer than the other three, because of the simple fact that it is explicitly stated in the policy paper that affordable housing strategies should not involve any great degree of subsidization. Therefore, I have used the following sections to focus on the obstacles the unwillingness to subsidize entails to the provision of affordable housing.

In comparison to the large-scale housing provision that followed critical juncture 1, the municipality's scope of action has become significantly smaller. The market has taken over as the main actor and unlike the structure of cooperative housing, the suggested strategies in the policy paper are based on provision of affordable housing on market terms. Although the City Government show some willingness to subsidize, it is repeatedly emphasized that this should be done to a limited extent: "the solutions shall not require a large degree of municipal subsidies" (Oslo kommune, 2019b, p. 4) and "it would be relevant to examine the extent to which one can include private actors" (Oslo kommune, 2019b, p. 2). Arguably, it seems like actors in the private market are expected to partly pay for and take care of the responsibility for affordable housing provision. For example in an interview about the housing situation in Oslo, the leader of the city development council, Hanna Marcussen, suggests imposing the commercial housing constructors to reserve a certain number of units in their projects for the purpose of affordable housing (Kristiansen, 2020). But, today's legislation does not give the municipality the liberty to make demands on contractors to build non-commercial housing, as for example in Denmark, where a change in legislation carried out in 2015 enables the municipalities to impose on new construction projects to reserve 25 per cent of the units for *almene boliger* (Oslo kommune, 2019a).

In the City Government's long-term objective that affordable housing should make up 20 per cent of the housing stock in Oslo, it is not further elaborated how they intend to achieve this (Almendingen, 2020). Nor does the Platform for City Government 2019-2023 mention anything about how they plan to realize the 'facilitation' of 1000 new homes within the third housing sector by 2023, other than that it is intended to be in cooperation with private and non-commercial actors (Oslo Byråd, 2019, p. 37). Based on the fact that they are to 'facilitate' this and the emphasis on involving other actors, it is likely that this is intended to be implemented without a significant degree of subsidies. Considering the facts that the third housing sector is almost non-existent today and the city government's unwillingness to subsidize, I would argue that the goal of moving to 20 per cent affordable housing is overly ambitious and probably unrealistic.

Because of the unwillingness to subsidize it may seem like a part of the social responsibility that was prominent in the housing policies of the 1930s-1950s is now placed on the private sector. The policy papers do not explain how the City Government envisage involving the private sector in the implementation of the strategies. But one can imagine that this will be a challenging task because of the limited freedom of the municipality to influence

construction processes and the fact that the market actors may not be expected to act as non-profit charities.

The Almenbolig+-model (pilot 1) is a good example of the low subsidy-friendliness of the strategies suggested in the policy paper. Pilot 1 aims to provide affordable housing without any municipal subsidies through the self-management principle – an outsourcing of the responsibility for operation and maintenance to the residents.

What degree of path dependence do the criteria of subsidy-friendliness indicate? Norway has a history of provision of affordable housing and this provide a basis for comparison. Arguably, the biggest change in the political conception of affordable housing provision is the sharpening of municipal housing measures and a reluctance to subsidize projects that expands beyond helping the particularly disadvantaged groups. It is apparent that the subsidy-friendliness is low in the affordable housing strategies in Oslo, and therefore I would argue that this indicate a strong degree of path dependence emanating from the critical juncture of the big shift of Norwegian housing policy of the 1990s.

A brief discussion of social mechanisms

I would argue that there is a possibility that previous decisions have placed restrictions on future choices and that therefore path dependence limits the feasibility of the affordable housing strategies suggested in Oslo City Government's strategy plan. Once the state and the municipality pulled out of housing provision and left it to the market forces, the possibility of reversing this decision became almost impossible. Not just in terms of policies, but also in terms of the norms the politicians and decision-makers operate within. In this matter, the *legitimacy mechanism* is especially relevant; 'the perception of the legitimacy of institutions, both by the actors and by the public, and what is considered legitimate in the society' (Bengtsson & Ruonavaara, 2010, p. 196; 2017, p. 55). The hegemonic ownership-discourse in Norwegian society is evident in the debates and the policy paper. It would arguably be challenging to retain legitimacy if someone were to try to change the current housing regime because it would potentially lead to lower price inflation and a decrease in housing wealth for large sections of the population. An interview with Hanna Marcussen regarding the political platform presented in October 2019, is an example of this; she states that the City Government does not want the municipality to 'build itself out of the housing shortage' because [...] housing is a quite attractive place to invest money one has to spare.' And that if they (the City Government) are to do this, the result would be that [...] not all new housing

will benefit first time buyers' (Almendingen, 2020). This is where the *efficiency mechanism* comes into play; 'the cost/benefit considerations done in the decisions-making process' (Bengtsson & Ruonavaara, 2010, p. 196; 2017, p. 55). If there were to be a large-scale supply of affordable housing, this could be in conflict with the interests of the majority who is already in the market for owner-occupied housing, which may not outweigh the benefits. It would be interesting to further discuss and identify the social mechanisms in affordable housing policy, but this must be done in a paper of greater scope than this.

Breaking the chains of path dependence?

The leader of the City Government, Governing Mayor Raymond Johansen (Arbeiderpartiet) said in an interview "Housing policy has mainly been about those who are inside the housing market. Now, housing policy has to be about those who are outside to a greater extent" (M. H. Jensen, 2019). In this sense, it is conceivable that the policy paper might come to be a critical juncture, because it has the potential to create "transitional situations in which actors have to possibility to make choices that would open up a new path" (Bengtsson & Ruonavaara, 2017, p. 52). As the discussion above has shown, the main strategies in the policy paper are in some ways an attempt to break the chains of path dependence of housing policy. It is a recognition of the markets inability to distribute housing evenly and that there is a need for implementation of measures outside market-based housing. The main strategies suggest that this is to be done through both owner-occupied and rental-housing. At the same time, the debate about affordable housing has been reproduced in cycles through the history of modern housing policy – where the "desired solutions strands on practical implementation" (Kiøsterud, 2005, p. 40).

Conclusion

The purpose of this study is to shed light on the historical preconditions shaping the affordable housing strategies in Oslo. I also seek to contribute to the scholarly literature on path dependence and housing by developing ways to measure the strength of path dependence.

In this study, I have identified the main political strategies for the provision of affordable housing in Oslo and mapped out four criteria based on three key moments (critical junctures) of in Norwegian housing history that I have used to discuss and measure the degree of path dependence in the affordable housing strategies of the City Government of Oslo.

In the discussion of the first criteria: owner-orientation, I argue that there is evidence of a high degree of path dependency because the affordable housing strategies are largely aimed at owner-occupied housing. This is exemplified by a discussion of the accessibility of the market and the promotion of the ‘sense of ownership’ in rental housing. In the discussion of the second criteria: rental-friendliness, I have addressed the degree to which rental housing is prioritized in the policy paper. Through suggestions of professionalization of the sector and the potentially groundbreaking Almenbolig+-scheme, it is clear that the rental sector has a prioritization in the affordable housing strategies. The path dependence is arguably of a moderate to low degree in terms of rental-friendliness. In the third criteria: market-orientation, I have discussed whether the strategies challenge the free market principles. I have found that the policy paper does challenge free market principles in several ways, for instance through suggesting measures for provision of housing sold below market price. At the same time, the policies are largely market-oriented because homeownership is the main line in Norwegian housing policy. The target groups in the suggested pilots are narrow and providing affordable housing for this group will probably not have any direct effect on the market and not challenge the principles of free market principles as such. This is arguably an indication of a moderate degree of path dependency. In the last criteria, subsidy-friendliness, I have discussed the public sector’s willingness to subsidize affordable housing. This is quite limited and a desire to involve the market is expressed repeatedly. This indicates a strong degree of path dependence.

The thesis leaves some questions unanswered, especially in relation to the social mechanisms. An analysis of greater scope is needed to be able to empirically trace the social mechanisms in the policy plan and identify the critical junctures that produced them.

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