Housing Policy and social change in communist-run municipalities in the suburbs of Paris

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Introduction

The inner-ring first suburbs of Paris have changed dramatically in recent times. This area developed in late nineteenth and early twentieth centuries, as a result of rapid and massive industrialization (Rhein, 2005). The fast growing industry led to the settling of blue-collar workers and during the 1920s and 1930s many communist municipalities were elected in this area. The Communist-run municipalities of the so-called "red belt" built numerous social-housing units and developed public facilities for blue-collar workers. Since the 1960s the "red belt" has been deeply affected by deindustrialization and experienced economic and demographic decline. Despite a decrease of Communist vote, several communist-run municipalities retain the majority. Since the late 1980s, certain towns began to implement a new urban and housing policy, in an attempt to fight against pauperization and deterioration.

Saint-Denis, located north of central Paris is an archetype of the red belt. The town hosted the main industrial area in Europe in the late nineteenth. At the beginning of the twentieth century, a socialist mayor was elected. Then the municipality rejoined the Communist Party after the split between socialists and communists in 1920. From the late 1960s Saint-Denis has been experiencing deep restructuring and redevelopment. From the late 1980s, the communist "reformists" have been changing their municipal policies to attract private developers and middle-class newcomers. Nevertheless they are trying to maintain their low-income population at the same time, in an attempt to reach a type of "controlled gentrification". How are these ambivalent strategies implemented? More generally, what degree of control do local governments have on social change? Many studies emphasize the determining role played by local government in social change and gentrification (Lees, 2003; Smith, 1996), but very few focus on the restraints opposed to gentrification. We try to provide an overall view of local policies' influence on social change process, analyzing supports to the settling of middle-class residents as well as policy implemented to guarantee housing for low-income residents.

I. Social change and urban policy in Saint-Denis

1.1. Local policies' influence on social change processes

In French literature, the role of local policies in social change processes has been one of the major issues at stake in urban research during the 1960s and 1970s. At that time, several studies denounced "renovation-deportation" plans in old centers (Coing, 1966). On the

contrary, Anglo-Saxon research about gentrification has neglected local policies' influence for a long time (Lees, 2003). It finally became a research issue in gentrification debates during the 1990s. Many studies deal with local governments' supports and incentives to gentrification. Within the framework of neo-liberal policies criticism, several authors emphasize the alliance between local governments and private investors to evict working-class categories from inner cities and attract middle-class categories (Levine 1987; Smith 1996). Usually, academics tend to focus on one single aspect of public policies' role in gentrification: for example on official discourses on gentrification (Colomb 2006; Rose 2006), on particular urban plans within a neighbourhood, or on condominium developments (Davidson & Lees 2005). Nevertheless there is a lack of research addressing intricacy and diversity of political actions interfering in social change. There is a need for complete and precise analyses of public policies at the scale of local governments, taking into account the whole municipality's neighbourhoods and not only those experiencing gentrification. Moreover it is necessary to consider a detailed analysis of local policies, including housing policy as well as urban planning policy and land policy. Finally, although limits to gentrification are a recurrent issue (Ley & Dobson 2008), there are very few studies about restraints opposed to gentrification by local governments. Communist-run municipalities are particularly relevant to tackle such an issue because of their ambivalent political strategy.

1.2. Saint-Denis

Saint-Denis was founded at Gallo-Roman time and grew consistently in late nineteenth, as a result of rapid and massive industrialization. Saint-Denis' industrialization essentially took place in *Plaine Saint-Denis*, a 780 hectare plain because it offered huge land opportunities close to railroad tracks and Paris canal. From the late 1960s deindustrialization hit the town, leading to a loss of 25.000 industrial jobs between 1965 and 1985. At the beginning, the local officials tried to preserve industrial activity and working-class population: they prevented service-sector development and private-housing construction by means of zoning regulations (Albecker & Fol, 2010). Such a policy strategy was applied in the same way in other Communist-run towns (Collet, 2010). In the 1980s the local debate in Saint-Denis was focused on industrial wasteland's future, opposing a conservative view and a development-oriented one. Due to the increasing of communist "reformists"[1] within Saint-Denis municipality in the late 1980s, local policies radically changed, aimed at attracting service-sector businesses in the town. The *Stade de France*[2] building enabled the local officials to carry out their development plan for *Plaine Saint-Denis*. From the bargaining with the State for the *Stade de France* location, they obtained the funding for the highway's roofing, the building of two train stations, the extension of the subway line and for public spaces. These facilities made the town attractive to property developers, all the more so land values and property prices were very low. *Plaine Saint-Denis* is now the third center of service-sector businesses in Paris metropolitan region. But despite economic development, unemployment and pauperization continued to occur in Saint-Denis, due to the gap between the skill level required for the new jobs and that of the resident population (INSEE 2010). Furthermore, a boom of housing construction took place in *Plaine Saint-Denis* fostered by the local decision to promote owner-occupation, in contrast with a traditional preference for

[1] This Communist line emerged in the late 1980s and supported economic development around service-sector businesses. For example, Saint-Denis mayor between 1991 and 2004 (Patrick Braouezec) was a communist reformist, as Saint-Denis current mayor (Didier Paillard).

[2] The Stade de France is the national stadium built in *Plaine Saint-Denis* from 1995 to 1997 for the 1998 Football World cup.

social housing. Private housing's development is at the heart of Saint-Denis new housing policy promoting social diversity to fight impoverishment and housing deterioration. The goal of such a strategy is as a matter of course to attract middle-class newcomers but also to enable residents in upward mobility to home-buy. Nevertheless the local councilors try to avoid as much as possible the displacement of low-income residents, faithful to their traditional support to working-class and disadvantaged population.

The paper is based on a survey led in three Communist-run municipalities in the first suburbs of Paris: Saint-Denis and Bagnolet, located north of central Paris; Vitry-sur-Seine, located south of central Paris. The fieldwork combines interviews of local officials with study of urban planning tools. Purposely, the survey has not been restricted to housing policy, but also takes into consideration urban planning policy and land strategies. More precisely the research looks into means of social change control. In this paper, I will develop Saint-Denis' case.

II. Attracting middle-class newcomers while maintaining low-income population: a controlled gentrification?

In this section, I will expose the tension between both sides of Saint-Denis' housing strategy, combining promotion of owner-occupation to attract middle-class residents and supports to working-class housing.

2.1. Promotion of owner-occupation

Since the Communists gain the majority in Saint-Denis municipality they built numerous social housing units, essentially between 1949 and 1974. As a result Saint-Denis counts around 50% of social housing. During the 1980s a renewal plan took place in a part of the old center: insalubrious housing was cleared out and essentially replaced by new public housing (80% of new units). At that time the local councilors were still hostile to private housing developments. Their main goal was to provide quality public housing in a central location with many facilities, for working-class and secondarily for middle-class residents[3]. Such an ambitious plan was meant to attract some middle-class residents but after twenty years, many middle-class residents have left the neighbourhood (Raad, 2008).

In the 1990s Saint-Denis' Communist "reformists" decided to develop private housing construction, which represents a radical change in local housing policy. *Plaine Saint-Denis* was already attractive to property developers in service-sector businesses, so that housing construction increased very rapidly. The boom of housing construction was all the more striking that no housing was constructed in *Plaine Saint-Denis* during 1928 and 1990. Moreover it happened after a demographic decline unstopped since the 1960s. During the 2000s Saint-Denis was one of the most dynamic town in housing construction in Paris metropolitan region: 3.935 housing units were built between 2000 and 2007 in Saint-Denis. The majority is located in *la Plaine* neighbourhood (2.454 for the same period, representing 60% of Dionysian production). This housing production led to a dramatic population increase: between 1999 and 2008, Saint-Denis population increased from 85.994 to 103.742 inhabitants. In majority, the new housing units are designed for owner-occupation or private

[3] In France, social housing was at the beginning developed to house working-class people as well as middle-class. But from the 1970s, middle-class residents began to leave to buy their homes. As a result, public housing population got poorer.

renting. Local urban planning documents[4] set the proportion of each type of housing among new construction: in Saint-Denis the local councilors decided to build 32% of social housing, 5% of social home-buying and 63% of private housing. In a town with more than 50% of social housing, this shows a real change in housing policy. The urban planning councilor doesn't hide the desire to attract middle-class residents as its words show: "*When you decide to make 60% of home-buying housing, it means very clearly that we want to settle and attract what is called middle-class.*" (Interview with Stéphane Peu, 2009). Nevertheless, the support to private housing construction and owner-occupation goes together with social housing promotion: Saint-Denis produced a significant number of social housing units during the 2000s in opposition to the majority of Paris metropolitan region municipalities. Moreover, local councilors developed some tools to fight against developers' speculation in order to control the increase of property prices. These tools are to be seen in an emerging land strategy designed to maintain low-income population.

2.2. Emerging land strategy to control land prices

From the start Plaine Commune (the multi-municipal administration) introduced the *Building's Quality Agreement* that is a bargaining tool between property developers and local government. This document includes several instructions about housing's quality and recommendations particularly about land prices. Instructions about housing's quality aim to prevent new housing units from deterioration. For example it is forbidden to build condominium developments with more than 50 property lots. As for recommendations, the *Building's Quality Agreement* sets a maximum land price[5]. By such a control on land prices, the local councilors try to limit property prices. Indeed they presuppose that a low land price is going to be reflected in property prices and limit their increase. Saint-Ouen, an adjacent Communist-run town, has a different strategy: they preferred to control directly property prices. Their *Property Developers Agreement* sets a maximum property price and the municipality uses pre-emption to limit the increase in property prices. Saint-Denis opposes its anti-speculative strategy to Saint-Ouen's one, arguing it is better to control land prices than property prices. According to Saint-Denis administration, if the capital gain is not for the property developers when they offer for sale the housing units, the first buyer is going to win the capital gain when he resells its home. But Saint-Denis strategy doesn't completely guarantee that low land prices will be reflected in property prices. Nevertheless, Saint-Denis strategy is not only focused on property prices, insofar as the majority of its residents cannot buy a home at market prices[6].

The multi-municipal administration and the main social landlord in the area – *Plaine Commune Habitat* – developed in 2005 a cooperative society to promote social home buying. The housing units are first designed to *Plaine Commune Habitat* tenants and secondarily to other social landlords' tenants. Therefore the aim is to enable social housing tenants to buy a home at low prices. In France social home buying is not significant; many societies assert they develop social home buying but in realty, they only use tax advantages and zero interest loans[7]. *Plaine Commune Cooperative for Social Home-Buying* offers homes at a lower price and security for buyers. The multi-municipal administration sells land plots at low prices to the Cooperative in order to reduce home prices. Once again, what enable to produce cheap

[4] We mean Territorial Coherence Plan and Local Housing Plan that are multi-municipal urban planning tools.
[5] Land prices cannot exceed 450 euros/m2 of net floor area.
[6] Property prices for new housing goes from 4.000 to 5.000 Euros in Saint-Denis, compared to an average of 8.400 euros/m2 in central Paris.
[7] Zero interest loans are granted to households home-buying for the first time. The amount depends from the home's location and the households' resources; it can reach up to 38% of the total amount of the property price.

housing is low land prices. This is part of a more general land strategy aimed at controlling land prices.

According to Saint-Denis local councilors, low land prices are the solution to build cheap housing designed for owner-occupants as well as social housing tenants. Thus they chose to control land prices rather than property prices. Here we have to precise that after a stage of massive construction of social housing after World War II, the social housing construction has been very limited after 1977 particularly because of a reform of the housing's funding system. In such a context, the ability to produce social housing is particularly important in towns like Saint-Denis with a huge demand for social housing. As the territory became attractive to property developers, the local councilors particularly worry about limiting land prices. Moreover they are trying to anticipate *Grand Paris Plan* that is a huge transportation plan for Paris metropolitan region. In Saint-Denis two new subway stations will be opened: one resulting from the extension of line 12 in *Plaine Saint-Denis* and one forming a part of *Grand Paris Express* new line in the southwest of Saint-Denis (Pleyel). That is why the local councilors are thinking about introducing a *Strategic Land Plan*. First it has to locate strategic spots in the multi-municipal territory, that is to say places that are likely to develop in the future particularly because of transportation plans. The multi-municipal administration aims at buying land in those strategic spots, in order to limit land and property prices' increase and prevent working-class displacement. Besides land's ownership enables them to get the surplus back coming from transportation plans. For now Plaine Commune has an agreement with Paris metropolis Land Public Corporation, which allows it to carry land plots for seven years. But the *Strategic Land Plan* implies to create a new organization that enables land carrying for more time, from 15 to 20 years. Eventually Plaine Commune land strategy is essentially serving housing policy. According to local councilors, land prices' control is crucial to (1) enable sufficient social housing construction in the future, (2) build social home buying and (3) offer cheap private housing for owner-occupants.

Conclusion

Research about local policies' influence on social change processes tends to focus on supports to the settling of middle-class residents but rarely looks into restraints opposed to gentrification. We argue it is necessary to lead a detailed analysis of local policies in various fields at the scale of local governments to give an overall view of local policies' influence on social change. Even though theoretical debates about gentrification are focusing on land values and rent gap, it is surprising that gentrification fieldwork doesn't deal with land policies given the consequences for housing policy.

Saint-Denis local policy is ambivalent since it aims at attracting middle-class residents while guaranteeing housing for low-income residents. Saint-Denis housing policy rests upon land prices' control to enable construction of social housing and cheap private housing. Nevertheless the majority of Dionysian residents cannot buy a home at market prices. Even social home buying isn't affordable to many of them and only represents a small proportion of housing units. For the most part, low-income Dionysian residents cannot afford living elsewhere than in social housing or in private renting. According to local councilors, land prices' control enables social housing construction but given the huge demand in this sector, housing policy at a local scale may not be sufficient.

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