



Housing policy, work-residence mismatch and poverty concentration



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ABSTRACT

Spatial work-residence mismatch and poverty concentration are two important problems faced by many metropolitan residents. Governments usually develop new towns and supply public housing to solve these problems. The new findings indicate that such joint effects really do exist. The Job opportunity effect in inner city regions would have greater influence on its residents' work-residence matching than the public housing lock-up effect. Public housing residents in developing new towns have difficulties finding jobs in nearby areas, and that poorer people appear to cluster in these areas as private renters. These new findings would provide valuable implications for future policy making.

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1. Introduction

Spatial work-residence mismatch and poverty concentration become severe problems in many metropolitans. In Hong Kong, about 70% of labor force travel to work by mass transit in 2011, and only 8.4% of them can go to work by foot (Cox, 2012). The commuting time to work for most people is 30–60 min. For the poverty problem, the poverty rate in Hong Kong has risen to 28.2% (under the International Poverty Lind Standard), with a Gini coefficient of 0.537 in 2011 (Hu & Yun, 2013). The poorest 10% people gain 2170 HKD each month as a household, while the richest 10% people gain 137,480 HKD each month in 2011.

Previous discussion on spatial work-residence matching and poverty concentration would be linked to two land use policies: new town development and public housing system. Hong Kong has less than 80 km² area of land to support the housing need of over 7 million populations. In order to relieve such residential population pressure in inner city districts, to improve the imbalanced population distribution, as well as to improve the living conditions of most Hong Kong citizens, the Hong Kong government has adopted two types of policies, namely new town development and public housing system, in the past 50 years. Due to these two policies, the

population living in Hong Kong Island and Kowloon has decreased from 81.1% in 1971 to 50.1% in 2001 (Yeung & Wong, 2003).

From the 1960s, the Hong Kong government commenced the new town development plan. Twelve new towns have been developed in the New Territories since then, in which over 40% of Hong Kong's population reside. Seven of these new towns were developed before the 1980s, including Tsuen Wan, Kwai Chung, Sha Tin, Tuen Mun, Tai Po, Fanling & Sheung Shui, and Yuen Long, which are categorized in this study as mature new towns. The remaining five, i.e. Tsing Yi, Tsueng Kwun O, Tin Shui Wai, Ma On Shan, and North Lantau, are considered developing new towns. Though new town development, to a certain extent, has helped address many citizens' housing needs (especially for those with financial difficulties), recently some people have begun to argue that they do not indeed improve the residents' economic conditions. Tin Shui Wai, one of the developing new towns, is often portrayed as the failure of new town development as its poverty rate and transportation system are both worse than most Hong Kong districts. However, in response, others would use another developing new town, Tsueng Kwun O, as an example for the successful development of a new shopping, working, and living center outside the inner city region. The present situation of mature new towns is also of concern, due to the enlargement of economic segregation (the income difference is enlarged) or the spatial clustering of low-income households.

Compared to new town development which mainly aims to solve the overcrowded housing environment, the public housing system intends to address the housing need of households with financial difficulties. The Hong Kong Housing Authority and the

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Hong Kong Housing Society have already provided 2 million and 148,000 public housing (rental or owned) units to eligible residents respectively since their inceptions. These estates are scattered across Hong Kong, both in the inner city region and in the new town areas (Table 1, Fig. 1). Through the provision of low-cost public housing, the government plays a role in improving the living standards of low-income residents. Similar to new town development, the role of public housing as a shield of poverty has also been questioned. Many foreign studies have discussed the implications on how the concentration of public housing estates in certain areas (i.e. in the New Territories) might deteriorate the poverty concentration situation. One of the major concerns among residents in these areas is its inferior accessibility to CBD, as longer traveling distance incurs higher traveling cost for public housing residents, in turn reducing their disposable income.

In previous quantitative researches, new town development and public housing are usually discussed separately. On the plus side, this way of research has developed comprehensive theories in their respective fields, and provided many worthy conclusions and suggestions for policy makers. On the flip side, however, the joint influence of both policy initiatives has seldom been mentioned. It should be noted that the land use planning for the construction of both public housing and private housing is an important component of new town development. And how the public housing estates would react to new town development would be both an interesting and important question.

This paper aims to fill the gap as to how new town development and public housing joint effect on two relevant topics, spatial work-residence mismatch and poverty concentration in detailed. The former exerts extra pressure on the existing transportation system and more importantly, on residents' living cost; and the latter affect the development potential of new towns. After the discussion of these two topics separately, a combination of findings would be summarized. This study generally focuses on income poverty, i.e. household income under the poverty line. The population census data of 2006 is to be applied to examine those topics. The next section reviews related articles which have studied the effects caused separately by new town development and by public housing. Then, in the third section, the methodology is to be introduced, and a description of the data sources provided. The empirical

results are to be presented and discussed in the fourth section. At last we would discuss the policy implications and summarize the study.

2. Literature review

The definition of social exclusion or poverty is usually discussed in the past several years. Townsend (1979: 31) had tried to define the poverty in his book:

“Individuals, families and groups in the population can be said to be in poverty when they lack the resources to obtain the types of diet, participate in the activities and have the living conditions and amenities which are customary, or are at least widely encouraged or approved, in the societies to which they belong.”

Lewis (1969) tends to explain poverty in a cultural aspect. He suggests that poverty concentrated in the urban ghetto, which led to the development of a social pathology in poor areas. Wilson (1987; 1996) agrees that “concentrated poverty” exists. Some evidence proved that the concentration of poverty indeed exists in inner cities (1987), and the impact of deindustrialization would occur on the areas of concentrated urban poor (1996). He emphasize structural factors (deindustrialization) and class-specific features (racial segregation) in the formation of poor neighborhoods. Musterd and Ostendorf (1998) describe concentrated poverty from the perspective of residential segregation and of the role of the welfare state. Economic restructuring and the social polarization of urban societies – can be held responsible for the emergence of new urban poverty and the socially fragmented character of western cities (Mingione, 1993; Van Kempen, 1994). Jargowsky (1997) documents the remarkable spread of impoverished neighborhoods and shows that the predominant dimension of poverty concentration is racial. Van Kempen and Van Weesep (1994) suggest that spatial concentration of the poor is both an outcome and a cause of the restricted life chances for the poor. Crump (2002) argues that the spatial metaphor of poverty serves to disguise the social and political forces behind the poverty problem. Wacquant (1997) emphasizes the institutional racism behind the American ghettos in which the poor are alienated. The major purpose in this paper is to find the causes of the concentration of income poverty, which means to define an income poverty line to determine whether a household belongs to poor family (Coulton, Chow, Wang, & Su, 1996).

Spatial concentration of poverty often appears in some large developed cities, resulting in the formation of poverty areas (Friedrichs & Blasius, 2003; McCulloch, 2001; Small & Newman, 2001). When it comes to the influence of public housing, the possibility of economic segregation (or poverty concentration) is widely known as the result of the direct effect and of the spilt-out effect: For the former, people who live in public housing must meet its eligibility criteria in both income and asset (i.e. they should be indeed those who need housing assistance the most); and for the latter, nearby middle or high income households may move away from a neighborhood in which public housing is concentrated (spilt-out effect). A number of studies have shown the positive impact of public housing on economic segregation. For instance, Massey and Kanaiaupuni (1993) find that a neighborhood's proximity to public housing is usually positively associated with its poverty rate in Chicago, and Reingold's study (1995) provides empirical support in this regard in his study of the Chicago inner city. Orfield (1998) states that the growth of concentrated poverty in the central cities of Minneapolis and St Paul, Minnesota, is related to public housing policies. Schill and Watcher (1995) report that, as the distance to a large public housing development

Table 1
The distribution of public rental housing in Hong Kong (March 31st, 2013).

District council district	Public rental housing		
	No. of Flats	Authorized population	Households
Central & Western	600	2100	600
Eastern	35,300	101,100	34,500
Islands	15,800	52,700	15,400
Kowloon City	16,200	44,900	16,000
Kwai Tsing	99,800	281,800	97,400
Kwun Tong	128,600	341,100	125,500
North	23,100	66,200	22,600
Sai Kung	28,600	85,200	28,100
Sha Tin	60,800	167,400	58,800
Sham Shui Po	52,300	134,200	49,600
Southern	26,700	76,100	26,100
Tai Po	18,500	52,200	18,000
Tsuen Wan	21,700	60,000	21,400
Tuen Mun	57,300	146,300	56,200
Wan Chai	–	–	–
Wong Tai Sin	76,400	211,700	74,300
Yau Tsim Mong	2800	8300	2800
Yuen Long	63,400	195,600	62,700
Total	728,000	2,026,900	710,200

Source: Report on Population and Households in Housing Authority Public Rental Housing, Housing Authority, March 2013

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