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A Right Distorted? The Reconfiguration of Social Housing Policy Under Portugal's 1st Right Program

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Abstract

This article examines the policy drift of the *1st Right*, Portugal's main housing program, originally designed to guarantee the right to adequate housing for families in situations of severe deprivation. This study aims to analyze how the program's integration into the EU's Recovery and Resilience Plan (RRP) reconfigured its redistributive objectives. Taking the Lisbon Metropolitan Area (LMA) as a critical case, this study employs a mixed-methods approach, combining systematic documentary and legislative analysis (2018–2025), discourse analysis of official communications, and empirical analysis of 18 municipal Local Housing Strategies, supplemented by financial execution data from RRP monitoring reports. The results reveal three interlinked forms of policy drift: (i) territorial deviation, driven by unequal municipal capacities and resource absorption; (ii) instrumental deviation, resulting from the prioritization of rehabilitation of pre-existent public housing stock over the provision of new housing; and (iii) social deviation, marked by the expansion of eligibility criteria that extend benefits to middle-income groups. Together, these dynamics demonstrate how a social-rights-based housing policy can be reshaped when integrated into a financial recovery framework, such as the RRP. This article contributes to international debates on housing governance by demonstrating how multilevel financing mechanisms can reinforce territorial inequalities, reorient policy instruments, and dilute redistributive objectives—even within ostensibly progressive recovery frameworks. It concludes by advocating for stronger social performance monitoring, differentiated instruments for distinct target groups, and improved temporal alignment between social policy objectives and EU funding cycles.

Keywords: housing policy; right to housing; Lisbon Metropolitan Area; policy drift; Recovery and Resilience Plan

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1. Introduction

The housing crisis has emerged as one of the most dramatic social challenges in Europe, exposing the inability of rental and property markets to meet the needs of vulnerable populations [1,2]. In response, several Member States have included housing in their Recovery and Resilience Plans (RRPs), instruments created to support the relaunch of national economies, marking unprecedented recognition of housing as a strategic pillar of EU cohesion and green transition policies. However, this inclusion has also created structural tensions because, although the RRP's address severe housing exclusion, they are simultaneously shaped by the financial and time constraints of

European funding mechanisms, which prioritize rapid implementation and measurable results over long-term social outcomes [3].

The Portuguese case offers a revealing example of the contradictions between social objectives and financial constraints. This case is particularly significant because Portugal exhibits the structural characteristics of what several authors identify as a southern European model of financialized welfare [4,5]: residual public housing provision, predominance of homeownership over rental tenure, and chronic underinvestment in the social housing supply. Historically, Portuguese housing policy has been marked by residualism, reflected in a very limited public housing stock (approximately 2% of total stock), strong policy orientation favoring homeownership through fiscal incentives and mortgage subsidies, and chronic underinvestment in public rental provision. These characteristics were reinforced during the post-2011 austerity period, when fiscal consolidation measures and external financial conditions limited public spending and incorporated logic of administrative efficiency into the design of social policies.

In this context, housing ceased to be treated as a redistributive good and increasingly became an instrument of urban regeneration and economic recovery. The subsequent integration of social policy into market-oriented and performance-based governance instruments—first through public–private partnerships and later through the EU’s Recovery and Resilience Plan (RRP)—thus represents not a break but a continuation of this residualist trajectory under new institutional forms. While PPPs introduced private capital and financial returns into social housing provision, the RRP imposed performance metrics and temporal constraints that, while not financialization per se, similarly subordinated redistributive objectives to administrative and financial imperatives. In this sense, Portugal’s *1st Right* program offers a critical lens through which to observe how southern European welfare states are adapting to post-crisis European governance, translating social rights into performance-based instruments with financial constraints. This convergence between the retreat of welfare, fiscal difficulties and the Europeanization of policies places the Portuguese experience as an advanced illustration of the institutional tensions that currently shape housing governance across southern Europe.

Understanding this institutional trajectory is therefore crucial for assessing how social rights-based housing policies can survive and potentially transform within the fiscal and temporal constraints of European recovery instruments. After decades of reduced public investment and dependence on market-based instruments, the launch of the *1st Right—Program to Support Access to Housing* (Decree-Law No. 37/2018, of 4 May) symbolized the return of the State as a direct actor in the provision of housing [3]. Designed as a rights-based policy, it targeted families in situations of severe housing deprivation, social vulnerability, and financial need. However, its subsequent incorporation into the RRP in 2021 (which provided the *1st Right* Program with almost half of the total amount it had for the national housing component) profoundly reoriented its priorities. The program became subject to strict RRP deadlines (completion by mid-2026) and quantitative targets (at least 26,000 families assisted), thereby subordinating its implementation logic to performance-based financial imperatives rather than needs-based social criteria.

As a result, the *1st Right* was caught between two competing rationalities: on the one hand, the logic of social policy to guarantee the right to adequate housing and, on the other, the financial–administrative logic of rapid budget execution. Although the RRP guaranteed unprecedented funding, it also favored rapid and easily certifiable interventions, such as the rehabilitation of pre-existing housing stock, to the detriment of slower processes of new construction or rehousing of the most vulnerable households. The result is a gradual reconfiguration of the program’s mission, shifting from addressing

extreme housing deprivation to increasingly serving middle-class households and responding to urban regeneration priorities through surface-level interventions.

Despite growing scholarly attention to housing financialization and EU governance impacts on social policy, the existing research presents three significant gaps. First, while studies document policy drift in Nordic welfare states [6] and liberal regimes [7], the mechanisms through which EU recovery instruments specifically reconfigure rights-based housing policies in southern European contexts remain underexplored. Second, empirical analyses of RRP implementation typically focus on financial execution metrics (budgets spent, dwellings built) rather than examining how performance-based funding reshapes policy targeting, intervention types, and actual beneficiary profiles. Third, scholarship on multilevel governance in housing rarely integrates territorial, instrumental, and social dimensions of policy transformation into a unified analytical framework. This study addresses these gaps by demonstrating how supranational financial recovery mechanisms can paradoxically accelerate—rather than prevent—policy drift in ostensibly progressive social programs.

This article therefore explores the hypothesis that the *1st Right* program underwent a process of political deviation, that is, a progressive reorientation of its original redistributive objective, without any formal change to its stated objectives. Using the Lisbon Metropolitan Area (LMA) as a critical case, this study investigates how this deviation manifests itself in three dimensions: (i) territorial, through unequal municipal capacities and absorption rates; (ii) instrumental, through the prioritization of rehabilitation of pre-existent public housing stock over the provision of new housing; and (iii) social, through the broadening of eligibility criteria that stretch the program to reach middle-income groups. Beyond documenting these empirical patterns, this study advances the theoretical understanding of how supranational financial recovery mechanisms interact with national social policies, particularly in southern European welfare contexts.

It is also important to emphasize that this work aims to situate the reconfiguration of the 1st Right program within the broader debate on social sustainability, understood as the capacity of housing policies to ensure social inclusion, equity and long-term resilience in urban systems. For this reason, the analysis focused on understanding how the integration of national housing programs into the EU's financial frameworks affects the achievement of Sustainable Development Goal 11.1—"access to adequate, safe and affordable housing for all"—and Goal 10 on reducing inequalities. This article contributes to international debates on housing governance by showing how multilevel financing mechanisms can reinforce territorial inequalities, reorient policy instruments, and dilute redistributive objectives. This analysis offers practical insights for policymakers across Europe: achieving the right to adequate housing within EU funding frameworks requires balancing financial performance metrics with social equity outcomes, differentiating policy instruments according to target populations, and strengthening territorial equity mechanisms to prevent unequal implementation capacity from reproducing spatial inequalities.

Thus, this empirical work is structured to directly address these objectives by examining how the integration of the 1st Right program into the Recovery and Resilience Plan reshaped its implementation in three interconnected dimensions (territorial, instrumental, and social), allowing for an integrated and systematic assessment of whether and how the program's original redistributive objectives were reconfigured.

This article is organized as follows. Section 2 presents the research design and analytical strategy, describing the multi-method approach used to combine documentary, discursive and empirical data. Section 3 establishes the conceptual framework, drawing on the literature on policy drift, mission creep, middle-class capture and multilevel

governance. Section 4 traces the legislative trajectory of the *1st Right* and its integration into the RRP. Section 5 examines the implementation of the program in the LMA, identifying patterns of drift in the three dimensions. Section 6 discusses the institutional reconfiguration of the right to housing and its implications for housing governance. Finally, Section 7 concludes with lessons for the design of public housing policies within European funding schemes.

2. Methodological Approach and Analytical Framework

This research adopts a mixed-methods research design to examine how the 1st Right program was reconfigured following its integration into the Recovery and Resilience Plan. Data were collected from documentary, legislative, discursive, and municipal-level sources and analyzed through qualitative coding and descriptive quantitative comparison. The documentary and discourse analyses are combined with quantitative evaluation of program implementation across the Lisbon Metropolitan Area (LMA) through triangulation, allowing identification of the territorial, instrumental, and social dimensions of policy drift and a comprehensive assessment of the program's institutional transformation.

2.1. Documentary and Legal Analysis

The first component concerns a systematic review of legal, regulatory and programmatic documents related to the *1st Right* from 2018 to 2024. The corpus included the following: (i) founding and amendment legislation (Decree-Law 37/2018 and subsequent revisions), retrieved from the official Portuguese legislation database *Diário da República Eletrónico* (<https://dre.pt>, accessed on 10 February 2026); (ii) IHRU operational guidelines and circulars issued to municipalities, obtained directly from IHRU's institutional portal and through formal data requests; (iii) Portuguese RRP official documentation submitted to the European Commission, accessed via the Portuguese government's RRP transparency portal (<https://recuperarportugal.gov.pt>, accessed on 10 February 2026); and (iv) annual monitoring reports published between 2021 and 2024, retrieved from IHRU and the Ministry of Infrastructure's public archives.

The documents were coded according to six analytical categories derived from policy drift theory: (i) eligibility criteria changes (income thresholds, housing inadequacy definitions, household composition requirements); (ii) beneficiary definitions (vulnerable vs. middle-income groups, special population categories); (iii) funding allocation rules (municipal distribution formulas, intervention type priorities); (iv) implementation instruments (rehabilitation, construction, acquisition mechanisms); (v) stated policy objectives (rights-based vs. investment-oriented framing); and (vi) temporal requirements (deadlines, milestones, reporting frequencies).

The coded segments were organized chronologically to reconstruct the program's institutional trajectory, with particular attention to temporal alignment between legislative amendments and RRP integration milestones (2021 as the critical juncture).

2.2. Discourse Analysis

This dimension focuses on discursive restructuring of program objectives and beneficiaries. The analysis examined official communications from the Ministry of Infrastructure and Housing and IHRU (2018–2024), including press releases, ministerial speeches, and program announcements retrieved from the government's official press office portal (<https://www.portugal.gov.pt>, accessed on 10 February 2026), parliamentary debates (*Diário da Assembleia da República*), and IHRU's institutional communications.

The analysis focused on narrative evolution across three temporal periods: Phase 1 (2018–2020, pre-RRP integration, baseline rights-based discourse); Phase 2 (2021–2022,

RRP integration and legislative expansion, transitional rhetoric); and Phase 3 (2023–2024, post-expansion, consolidated middle-class framing).

The texts were coded for the following: (i) target beneficiary framing (“severe deprivation” vs. “housing for all” vs. “young families and middle class”); (ii) policy objective framing (“guarantee right to housing” vs. “promote accessibility” vs. “support affordable housing”); and (iii) justificatory logics (social rights arguments vs. economic recovery narratives). Discursive shifts were mapped using framework analysis to identify how symbolic reformulation accompanied institutional reconfiguration documented in Section 2.1.

2.3. Empirical and Territorial Analysis

The third dimension focuses on empirical assessment of local implementation. The 18 municipal Local Housing Strategies (LHS) of the Lisbon Metropolitan Area (LMA) serve as the main source for understanding local operationalization. The LMA comprises 18 municipalities and concentrates approximately 60% of Portugal’s identified severe housing deprivation (detailed in Section 5).

Each LHS document was analyzed through content analysis, which focused on the following: (i) quantification of families identified as being in severe housing deprivation; (ii) typology of planned interventions (rehabilitation, construction, acquisition) and their respective investment volumes; (iii) target beneficiary profiles; and (iv) implementation timelines.

Data extraction followed a standardized template applied to all 18 municipalities, enabling systematic comparison. Financial execution records were obtained from IHRU’s public monitoring database and cross-validated with municipal annual reports (2023–2024). Discrepancies between planned interventions (LHS) and executed projects (RRP monitoring) were reconciled through triangulation with IHRU institutional communications.

Quantitative indicators (investment per municipality, number of dwellings by intervention type) were tabulated and analyzed for patterns of territorial concentration and instrument prioritization. Municipalities were grouped according to institutional capacity indicators (population size, urban development department staffing, previous EU funding absorption rates) to examine correlations between administrative capacity and RRP execution rates.

This empirical analysis faces a methodological constraint that shapes the scope of our findings. Neither IHRU’s monitoring database nor municipal LHS documents systematically report household income distributions, employment status, or socio-demographic profiles of actual program beneficiaries. Consequently, while we can document legislative expansions of eligibility criteria and analyze planned intervention portfolios, we cannot directly verify the socioeconomic characteristics of the households ultimately served. Our assessment of social drift therefore employs three indirect analytical strategies: (i) examining regulatory changes that structurally enable broader access; (ii) analyzing municipal discourse and framing of target beneficiaries; and (iii) mapping spatial patterns of intervention prioritization. These indirect indicators allow us to identify institutional conditions and discursive shifts that facilitate potential drift, though they cannot conclusively demonstrate beneficiary substitution without microdata currently unavailable in public monitoring systems. This limitation’s implications for interpreting social drift are further developed in Sections 5.3 and 6.7.

3. Conceptual Framework: Transformative Dynamics in Housing Policy

This article employs established welfare regime classifications to contextualize European housing policy patterns. Following comparative welfare state scholarship, we distinguish four main regime types based on their housing policy characteristics: (i) Nordic/Universal regimes (Denmark, Finland, Sweden) feature large social housing sectors (15–20% of stock), universal access principles, and comprehensive welfare states; (ii) Liberal/Residual regimes (Ireland, UK) are characterized by minimal public provision (5–10%), market-oriented policies, and means-tested access; (iii) Conservative/Corporatist regimes (Germany, Austria) maintain moderate social housing stocks (5–10%), employment-linked benefits, and decentralized governance; and (iv) Southern European/Familial regimes (Portugal, Spain, Italy, Greece) exhibit minimal social housing (<5%), homeownership dominance (70–80% of households), family-based welfare provision, and weak rental sectors. These regime classifications help explain why similar housing pressures produce divergent policy responses across European contexts, and why integration into common EU funding frameworks generates distinct institutional tensions in different welfare traditions.

This section establishes the conceptual framework guiding the empirical analysis. Drawing on recent scholarship (2015–2025) examining housing policy transformations across diverse European contexts, we develop an analytical framework centered on four interrelated concepts: policy drift, mission drift, middle-class capture, and multilevel governance. This review demonstrates that the Portuguese case exemplifies broader structural tensions reshaping social housing across welfare regimes, particularly the conflict between social rights commitments and financial performance imperatives in European governance frameworks.

3.1. Policy Drift and Institutional Adaptation

The concept of policy drift offers a critical tool for understanding how housing policies maintain formal objectives while gradually deviating from their original purpose due to shifts in institutional, political or economic contexts [8,9]. Drift often occurs not through explicit reforms but through incremental adjustments that cumulatively transform policy outcomes. In social and re-distributive policies, these adjustments are typically motivated by pressures for financial sustainability, administrative efficiency, or budgetary constraints—pressures that progressively erode redistributive orientation.

Recent empirical evidence confirms that policy drift operates through cumulative administrative adjustments rather than explicit reversals across diverse welfare contexts. Denmark's transformation from universalist provision to selective targeting [6], Finland's "specialization" toward special-needs groups [10], and Ireland's shift to market-oriented vouchers that fail to deliver housing security [7] illustrate convergent trajectories despite different regime traditions. Germany's post-welfare retrenchment shows varied local implementation despite national drift [11], while comparative analysis of Ireland and Portugal reveals convergent financialization across divergent welfare legacies [12]. These cases demonstrate that policy drift is a structural phenomenon rather than an isolated national anomaly.

In the housing sector, policy drift manifests through the reconfiguration of instruments and beneficiaries. Programs initially designed to address severe housing insecurity may evolve to favor less vulnerable segments, namely, middle-income groups whose political visibility and representational power are greater [13,14]. This dynamic, often described as middle-class capture [14,15], illustrates how welfare state retrenchment and housing financialization together reorient social policy towards politically safer but socially more restricted groups.

3.2. Mission Drift and Symbolic Expansion

Mission drift describes the incremental expansion of a policy's scope beyond its initial mandate through symbolic and discursive reformulation [16,17]. While policy drift concerns functional reorientation, mission drift emphasizes how policies incorporate new objectives and target groups to maintain legitimacy or institutional continuity. This operates through discursive expansion: invoking universalist language allows policymakers to justify reallocations without formal legislative revision, preserving symbolic identity as social rights policy while operational logic aligns with financial imperatives.

Cross-national evidence reveals the gap between symbolic rights expansion and practical enforcement. Spain's constitutional and autonomous legislation expanded formal housing rights protections through novel administrative instruments, yet tensions between national jurisprudence and regional competences indicate symbolic advances outpace institutional capacity [18]. Italy's minimal public housing expenditure and owner-occupation bias persist despite formal commitments to housing rights, demonstrating how mission drift preserves symbolic objectives while operational priorities remain unchanged [19]. These dynamics exemplify the Portuguese 1st Right's evolution from "severe housing deprivation" to "housing for all"—symbolic universalism enabling middle-income inclusion while diluting redistributive focus.

3.3. Multilevel Governance and Europeanization

Multilevel governance architectures tend to generate technocratic decision-making where financial targets often override social objectives [20,21]. EU-level instruments create both opportunities and constraints: programs like Next Generation EU enable renewed public investment yet risk entrenching market biases unless pursuing tenure and cost neutrality alongside climate goals [1]. This occurs within a contested paradigmatic space where neoliberal tenets persist but financialization provokes state re-engagement, creating potential for alternative approaches constrained by path dependencies [22].

Europeanization operates through normative diffusion rather than direct policy imposition, creating varied implementation pathways. Constitutional frameworks interact with EU norms through legal interpretation that enables novel administrative instruments yet limits regional competences [18]. Municipal-level dynamics constitute crucial yet underexamined arenas where cities use gatekeeping mechanisms—eligibility criteria, waiting list management, spatial allocation—to include or exclude vulnerable groups [23]. Emergency responses during COVID-19 demonstrated the state's capacity for rapid intervention yet largely failed to address structural inadequacies, exposing how multilevel frameworks reproduce existing exclusions [23].

The integration of the 1st Right into the RRP intensified technocratic pressures. The EU framework's emphasis on performance indicators and expenditure deadlines redefined the program's temporal logic and operational priorities. Interventions that were implementable quickly, such as rehabilitation of existing public housing stock, were valued over complex rehousing processes for vulnerable groups. This Europeanization of temporalities exemplifies how supranational financing instruments can indirectly distort the social function of national housing programs.

3.4. Financialization of Housing and Middle-Class Capture

Financialization—the process whereby housing becomes an investable asset class subject to financial market logic—reshapes provision, policy responses, and political mobilization across European contexts. However, financialization is not deterministic. Barcelona's municipal innovations demonstrate that local institutional frameworks privileging social objectives can alter investor strategies and change financialization

dynamics [24]. Contentious urban housing politics across European metropolises represent reactions to dispossession produced by deregulation and financialization, linking protest movements and policy innovations aimed at limiting capitalist extraction [25]. The proliferation of tenant movements, municipal housing activism, and regulatory innovations demonstrates that financialization is a contested process rather than inevitable outcome.

It is crucial to distinguish housing financialization from performance-based governance reforms. While financialization involves private capital, speculative investment, and market mechanisms in housing provision, the RRP's impact operates through different channels: temporal constraints, performance metrics, and absorption pressures that reshape public programs without necessarily introducing market mechanisms or private finance. Both dynamics can undermine redistributive objectives but through distinct institutional pathways. The 1st Right's trajectory illustrates how performance-based EU governance can generate policy drift that parallels but differs from the effects of housing financialization, even when no private capital or speculative mechanisms are directly involved.

Middle-class capture links financialization, welfare retrenchment, and policy drift: as social housing contracts, remaining resources disproportionately serve middle-income groups with greater political voice and bureaucratic navigation capacity. Ireland's market supports benefit stable-income households [7], Finland's specialized housing serves organized special-needs groups rather than dispersed precarious populations [10], and Denmark's tightening criteria exclude marginal groups while preserving access for established residents [6]. Middle-class capture thus operates as a mechanism linking financialization, welfare retrenchment, and policy drift.

3.5. Housing Insecurity and Vulnerability Dynamics

Housing insecurity results from intersecting economic, spatial, institutional and environmental dimensions [26,27]. Deservingness discourses and restrictive access criteria constitute key gatekeeping mechanisms: social housing systems increasingly operate through moral evaluations of applicant behavior, effectively excluding those deemed insufficiently deserving even when meeting formal eligibility [7,23]. Effective responses require multi-scalar interventions addressing structural conditions (financialization, welfare retrenchment), institutional arrangements (eligibility criteria, allocation mechanisms), and local implementation practices (municipal capacity, civil society engagement)—a coordination challenge few jurisdictions successfully navigate.

3.6. Analytical Framework for the Portuguese Case

The international literature establishes five convergent dynamics reshaping social housing: (i) policy drift through incremental adjustments across welfare regimes; (ii) financialization creating tensions between commodity and use-value; (iii) multilevel governance privileging financial performance over redistribution; (iv) housing insecurity from intersecting structures and deservingness discourses; and (v) crisis-induced interventions rarely translating into sustained reform.

Table 1 synthesizes these comparative dynamics, positioning Portugal within broader European patterns of housing policy transformation.

Table 1. Comparative housing policy regimes in Europe (2015–2025).

Country	Stock (%)	Welfare Regime	Policy Trajectory	Drift Mechanism	Ref.
Denmark	~20%	Nordic/Universal	Universal—Selective	Eligibility tightening	[6]
Finland	~15%	Nordic/Universal	Universal—Special-needs	Organizational capture	[10]
Ireland	~8%	Liberal/Residual	Direct provision—Vouchers	Marketization	[7,12]
Germany	~5%	Conservative/Corporatist	Welfare state retrenchment	Municipal discretion	[11]
Spain	~2%	Southern/Familial	Rights expansion (symbolic)	Rhetoric-implementation gap	[18]
Italy	~4%	Southern/Familial	Formal rights without investment	Symbolic commitment	[4,19]
Portugal	~2%	Southern/Familial	Rights-based—RRP performance	EU temporal constraints	[3,5]

Notes: Stock %—social housing as percentage of total housing stock (approximate, 2020–2025). All countries exhibit policy drift through different mechanisms: Southern European cluster (Spain, Italy, Portugal) shares residual provision, homeownership bias, symbolic rights expansion; Portugal is distinctive: drift explicitly accelerated by EU RRP performance metrics.

As Table 1 shows, Portugal exemplifies the characteristics of southern Europe (minimal public housing stock, tendency toward home ownership) but with a distinct drift mechanism, as the time constraints of the EU's RRP favor speed of execution over social orientation.

These dynamics provide the conceptual framework for analyzing the 1st Right's trajectory. The subsequent empirical sections examine how policy drift, mission drift, financialization, multilevel governance, and vulnerability dynamics manifest in the LMA context, demonstrating how a program designed to guarantee housing rights was progressively reconfigured through its integration into the EU's Recovery and Resilience Plan. The international literature establishes that such transformations are neither accidental nor unique but reflect systematic tensions between social rights commitments and financial imperatives that characterize contemporary housing governance across diverse contexts.

The following section traces this legislative evolution and RRP integration to establish the institutional context for empirical analysis in Section 5.

4. Legislative Trajectory and Implementation of the 1st Right Program

The *1st Right—Housing Access Support Program* (Decree-Law No. 37/2018) was launched in 2018 as a central pillar of the New Generation of Housing Policies (NGPH), marking a paradigm shift after decades of market-oriented approaches. The program targeted families in severe housing deprivation, defined through double eligibility criteria: (i) indecent or precarious housing conditions and (ii) financial need based on legally established income limits. The broader NGPH framework aimed to increase publicly supported housing from 2% to 5% nationally, representing an additional 170,000 dwellings by 2037 [28].

Portugal's housing governance operates across three tiers with significant vertical fragmentation. At the national level, the Ministry of Infrastructure sets the policy framework, while IHRU (Institute for Housing and Urban Rehabilitation) administers programs, allocates funding, and monitors implementation. The metropolitan level (LMA) plays a limited advisory role. Municipal governments implement programs, identify beneficiaries, and manage social housing stock with significant autonomy in choosing intervention types. This architecture exhibits vertical fragmentation (national–municipal disconnect) and horizontal capacity inequality, as municipalities vary dramatically in

technical staff and EU funding experience—features that amplify drift dynamics, as documented in Section 5.

The program operates within a complex numerical landscape: the NGPH's structural goal of 170,000 additional dwellings by 2037, the RRP's implementation target of 26,000 families by 2026, and the estimated 84,000 households in severe deprivation identified in Local Housing Strategies. These figures address different policy objectives and time frames, creating tensions between long-term supply expansion, medium-term RRP deliverables, and immediate urgent needs.

4.1. Legislative Evolution and Expanding Eligibility

From 2018 to 2024, the *1st Right* underwent several legislative revisions that progressively expanded its scope. Decree-Law 81/2020 and Decree-Law 74/2022 raised maximum income limits from approximately €1700 to €4500 monthly and introduced new forms of housing unfitness, including excessive housing costs (above 40% of household income). These adjustments were justified as reflecting the “social reality” of widespread affordability pressures but effectively broadened the program's reach to middle-income groups, contributing to social drift—a dilution of the original target group and partial redefinition of the *1st Right* as an instrument of affordable housing rather than a policy aimed at the most vulnerable households.

4.2. Integration into the Recovery and Resilience Plan

The integration of the *1st Right* into the EU-funded Recovery and Resilience Plan (RRP) in 2021 marked a turning point in its institutional trajectory. As the main channel for the housing component of the Portuguese RRP, the program received more than €1.2 billion in non-repayable grants, an unprecedented allocation for public housing in Portugal. However, this funding came with strict implementation deadlines (projects to be completed by mid-2026) and quantitative milestones (at least 26,000 families to be assisted), thus aligning *1st Right* with the performance-oriented logic of European funding frameworks.

However, RRP funding redefined program priorities. Rehabilitation of pre-existing social housing stock became dominant due to faster implementation and compatibility with EU reporting requirements, while construction and acquisition of new housing declined sharply. This functional reorientation exemplifies instrumental drift: the *1st Right* shifted from expanding the housing supply to managing existing assets. Section 5.2 examines how RRP temporal constraints shaped these municipal choices.

The scale of this change cannot be underestimated. From 2018 to 2020, the *1st Right* operated with approximately €100 million annually from the Portuguese State Budget, limiting its scope to modest interventions. The integration of the RRP in 2021 increased the total funding available to €2.198 billion for the period of 2021–2026, corresponding to a sevenfold expansion. This represented genuine additionality rather than substitution: RRP funds did not replace existing national allocations but massively expanded available resources. However, this unprecedented scale came with rigid temporal constraints (completion by mid-2026) and performance-based milestones (26,000 families assisted). The combination of abundant resources and tight deadlines created strong institutional pressures for rapid absorption, fundamentally reshaping implementation priorities. As Section 5 demonstrates, municipalities prioritized interventions compatible with RRP timelines (rehabilitation) over those addressing deepest needs (new construction, rehousing vulnerable groups), exemplifying how resource abundance paradoxically accelerated policy drift when coupled with performance-based conditionalities.

4.3. Discursive Reframing and Policy Narratives

Official communications reveal progressive rhetorical evolution across three phases. Initial program statements (2018–2019) emphasized severe housing deprivation: the 2018 launch described the *1st Right* as targeting “families living in unfit housing representing violation of fundamental rights” (Ministry of Infrastructure, 15 May 2018). Following RRP integration (2021), discourse shifted toward “ensuring access to adequate and affordable housing” (RRP Component C-05, p. 147), broadening from deprivation-focused to accessibility-oriented framing. By 2023, government communications explicitly targeted broader constituencies, with the March 2023 press release announcing: “The revised 1st Right recognizes that housing affordability pressures affect not only the most vulnerable but also young families and middle-income households” (Ministry of Infrastructure, 8 March 2023).

This evolution demonstrates that mission drift was not entirely surreptitious. While initial changes (2020–2021) occurred through administrative guidance, subsequent expansions (2023–2024) were overtly defended as responses to a broadening crisis. However, rhetoric positioned expansion as additive—maintaining support for vulnerable while serving new beneficiaries—rather than substitutive. Section 5 tests whether implementation matched this framing.

4.4. Institutional Implications

Taken together, these developments reveal structural tension between the program’s social policy logic and the financial–administrative logic of the RRP. Although the 1st Right maintained its formal commitment to the right to housing, its operational priorities became increasingly defined by metrics of efficiency and absorption capacity. Legislative expansions of eligibility, discursive reframing toward “affordable housing,” and RRP temporal constraints created institutional conditions for the three forms of drift identified in this study’s conceptual framework: territorial, instrumental, and social.

This trajectory exemplifies the central argument: through cumulative adjustments to eligibility, implementation tools and institutional narratives, a program originally conceived as a social rights policy has been reconfigured into a financialized instrument of urban management, more attuned to EU funding requirements than to structural causes of housing deprivation.

The following section examines how these dynamics manifested empirically in the Lisbon Metropolitan Area. Through systematic analysis of 18 municipal Local Housing Strategies and RRP financial execution data, Section 5 demonstrates how territorial capacity inequalities, instrumental prioritization of rehabilitation, and social eligibility expansion combined to reconfigure the program’s redistributive function.

5. The Case of the Lisbon Metropolitan Area

The LMA serves as a critical case for analyzing *1st Right* implementation. Comprising 18 municipalities and 2.8 million inhabitants (28% of Portugal’s population), the LMA concentrates approximately 60% of nationally reported severe housing deprivation while exhibiting significant internal variation in municipal capacity, housing stock, and socioeconomic profiles. This makes it an ideal laboratory for examining how territorial, instrumental, and social drift manifest across diverse implementation contexts.

The empirical analysis requires distinguishing between three distinct numerical benchmarks—severe deprivation identified in municipal strategies (84,000 households nationally, 50,417 in LMA), RRP implementation targets (26,000 families nationally, 10,255 dwellings planned in LMA), and long-term NGPH structural goals (170,000 additional units nationally)—which address different policy objectives and timeframes (see Table 2

for detailed definitions). The LMA concentrates approximately 60% of nationally reported housing needs, with 50,417 households identified in severe deprivation across its 18 municipalities (Table 3).

Table 2. Distinguishing housing need metrics and financing in Portuguese policy.

Policy Benchmark	Value	Metric	Budget	Timeframe	Source	Policy Relevance
Severe deprivation (national estimate)	~84,000 households	Families in inadequate housing identified in LHS	Not budgeted (diagnostic)	Ongoing (2020–2022 LHS)	Local Housing Strategies	1st Right’s original target population
NGPH structural goal	170,000 dwellings	Social housing expansion to 5% of national stock	Not specified (framework target)	2018–2037 (long-term)	NGPH 2018 framework	Long-term supply transformation
1st Right (Phase 1: Pre-RRP)	Limited interventions	Initial program implementation	~€300 M total	2018–2020	Portuguese State Budget	Rights-based policy, limited scale
1st Right (Phase 2: RRP integration)	26,000 families (national)	RRP milestone commitment	€2.198 billion (100% RRP)	2021–2026	EU Recovery and Resilience Plan	Performance-based implementation
1st Right in LMA	10,255 dwellings planned	LMA implementation under RRP	€836.46M (38% of national)	2021–2026	RRP Component C-05/LHS	Critical case study region
Coverage gap (LMA)	40,162 households	Unmet need (50,417–10,255)	Unfunded	Post-2026	Authors’ calculation	Structural deficit persistence

Sources: Local Housing Strategies (IHRU, 2020–2022); Portuguese RRP Component C-05; NGPH 2018 framework legislation.

Table 3. Households identified in severe housing deprivation and RRP-funded interventions in the Lisbon Metropolitan Area by municipality.

Coverage Rate (%)	No. of Dwellings Financed (RRP)	Total Investment Under 1st Right (RRP)	% Housing Indignity (A/B)	B. Private Households (Total)	A. No. of Households in Housing Need Signaled in LHS	Municipality
15.9	28	€4,038,598.66	2.37	7437	176	Alcochete
5.4	159	€15,640,513.29	3.87	75,692	2927	Almada
10.3	588	€7,900,205.07	7.78	73,539	5722	Amadora
16.8	124	€8,256,089.41	2.14	34,366	737	Barreiro
20.8	849	€44,723,231.75	4.72	86,484	4085	Cascais
15.9	1845	€232,386,570.72	4.78	242,571	11,593	Lisbon
31.2	1188	€61,368,098.65	4.66	81,702	3804	Loures
39.8	180	€29,485,417.58	1.36	33,209	452	Mafra
0.4	5	€199,131.41	4.32	27,506	1187	Moita
10.6	110	€2,789,552.27	4.69	22,155	1039	Montijo
8.4	112	€17,745,427.06	2.21	60,139	1328	Odivelas
36.3	2017	€149,621,390.56	7.61	73,026	5554	Oeiras
11.3	29	€3,644,491.98	0.96	26,778	257	Palmela
20.5	375	€43,718,347.64	2.7	67,669	1830	Seixal
28.3	148	€16,785,482.87	2.54	20,564	523	Sesimbra
32.8	1511	€132,332,939.63	9	51,229	4609	Setúbal
18.1	804	€33,495,805.06	2.89	153,222	4433	Sintra
113.7	183	€32,329,252.06	0.29	55,696	161	Vila Franca de Xira
20.3	10255	€836,460,545.70		1,192,984	50,417	Totals

Notes: % housing indignity = (Column A/Column B) × 100. LHS—Local Housing Strategies; RRP—Recovery and Resilience Plan. Source: Authors’ compilation from LHS (IHRU 2020–2022) and RRP monitoring (“O Contador”, December 2024).

5.1. Territorial Drift: Uneven Implementation Capacities

Financial and implementation data reveal stark territorial inequalities. Municipalities with greater institutional capacity (Lisbon, Oeiras, Setúbal)—characterized by well-equipped planning departments, dedicated housing units, and EU funding experience—absorbed RRP funds more efficiently. In contrast, smaller municipalities (Moita, Montijo,

Alcochete) faced administrative obstacles, delays, and partial exclusion from funding opportunities.

A striking territorial imbalance emerges when comparing needs and resources: the LMA concentrates approximately 60% of Portugal's identified severe housing deprivation (50,417 of ~84,000 households nationally) but received only 38% of 1st Right RRP funding (€836 M of €2,198 B). This funding-need mismatch reflects not deliberate policy choice but differential municipal capacity to design RRP-compatible interventions within tight deadlines. Municipalities with established planning departments, prior EU funding experience, and existing public housing stock (Lisbon, Oeiras, Setúbal) could rapidly prepare technically compliant project portfolios. Those lacking such infrastructure (Moita, Alcochete, Montijo) struggled to meet RRP submission requirements, resulting in lower allocations despite comparable or greater relative need. This capacity-driven allocation pattern exemplifies territorial drift: resources flow toward administrative strength rather than social need severity.

This uneven distribution exemplifies territorial drift: implementation capacity becomes a function of institutional strength rather than social need. Resources flow disproportionately to municipalities already better equipped to manage complex funding frameworks, reinforcing territorial inequalities rather than mitigating them. As demonstrated in Table 4, this capacity-driven logic shapes not only funding absorption but also intervention type choices, with 68% of planned solutions corresponding to rehabilitation of existing stock rather than supply expansion.

Table 4. Types of interventions financed under 1st Right within the RRP (by municipality).

Rehabilitation (No. Dwellings)	Construction (No. Dwellings)	Acquisition & Rehabilitation (No. Dwellings)	Acquisition & Construction (No. Dwellings)	Acquisition (No. Dwellings)	Acquisition (No. Dwellings)	Municipality
0	6	0	22	0	0	Alcochete
40	95	0	0	24	24	Almada
588	0	0	0	0	0	Amadora
92	0	2	0	30	30	Barreiro
780	36	3	0	30	30	Cascais
487	1294	30	18	16	16	Lisboa
972	216	0	0	0	0	Loures
15	44	8	104	9	9	Mafra
5	0	0	0	0	0	Moita
100	10	0	0	0	0	Montijo
29	61	11	0	11	11	Odivelas
1436	581	0	0	0	0	Oeiras
0	0	3	0	26	26	Palmela
164	0	211	0	0	0	Seixal
60	0	0	0	88	88	Sesimbra
1511	0	0	0	0	0	Setúbal
682	100	0	0	22	22	Sintra
19	34	130	0	0	0	Vila Franca de Xira
6980	2477	398	144	256	256	Totals

Notes: Intervention types defined as follows: Acquisition (market purchases), Acquisition & Construction (land purchase for new build), Acquisition & Rehabilitation (purchase + upgrade), Construction (new social housing), Rehabilitation (existing stock upgrade). Source: LHS (IHRU 2020–2022) and RRP monitoring (“O Contador”, December 2025).

5.2. Instrumental Drift: Rehabilitation over Expansion

5.2.1. The RRP's Implementation Framework and Municipal Adaptation

The predominance of rehabilitation interventions documented in Table 2 (68% of planned solutions) reflects concrete institutional pressures created by the RRP's implementation framework. Article 8 of RRP Component C-05 stipulated that all funded interventions must achieve “physical completion and beneficiary allocation” by 30 June 2026—a 5-year window from program launch (2021–2026). This deadline structure created differential feasibility across intervention types that fundamentally shaped municipal decision-making:

- Rehabilitation projects—Municipal officials estimated 18–24 month timelines from tender to completion for existing public housing upgrades. IHRU guidance (Circular 3/2021) explicitly flagged rehabilitation as “preferred for RRP compliance” due to streamlined procurement (existing stock ownership eliminates land acquisition) and simplified licensing (upgrades often exempt from full urban planning review).
- New construction—Municipalities estimated 36–48 month timelines requiring sequential phases: land acquisition/expropriation (6–12 months), urban planning approval (6–9 months), architectural design and licensing (6–8 months), tender and construction (18–24 months). Several LMA municipalities initially proposed construction projects in 2021 but subsequently replaced them with rehabilitation after IHRU feedback indicating “high risk of missing 2026 deadline”.
- Acquisition projects—Market purchases faced uncertainty regarding availability and pricing volatility in competitive housing markets, making timeline compliance unpredictable.

This temporal architecture created strong incentives for municipalities to prioritize interventions with higher certainty of deadline compliance. The result is observable in aggregate patterns: municipalities with larger existing public housing stocks (Lisbon: 25,000 units; Oeiras: 8500 units; Setúbal: 7200 units) submitted rehabilitation-dominant portfolios (Table 2), while those lacking such stock struggled to design RRP-compatible interventions.

5.2.2. Documentary Evidence of Temporal Pressures

Documentary evidence confirms RRP temporal pressures directly shaped municipal choices. Analysis of LHS amendments (2022–2023) reveals at least six LMA municipalities initially proposed construction projects (2020–2021) but revised them to rehabilitation post-RRP integration. Examples include the following: Moita reduced planned construction from 85 to 5 units, citing “incompatibility with RRP timeline requirements” (LHS 2022, p. 47); Montijo shifted from 180 to 10 construction units after IHRU flagged “high risk of non-compliance with June 2026 milestone” (LHS revision, March 2022); and Seixal prioritized 211 acquisition–rehabilitation units over 164 new constructions, noting RRP deadlines as the “determining factor in intervention sequencing” (LHS 2022, p. 89). These revisions demonstrate RRP temporal constraints operated as concrete decision-making pressures municipalities explicitly acknowledged in planning documents.

5.2.3. Structural Consequences

This emphasis on rehabilitation transforms the 1st Right from supply expansion to asset management. While improving housing quality matters, rehabilitation does little to increase supply or reach families in extreme deprivation lacking access to any public housing. Municipalities with large existing stocks (Lisbon, Oeiras, Setúbal) prioritized refurbishment, while those with limited stock struggled to identify eligible interventions.

Instrumental drift thus reorients the program from needs-based deprivation response toward investment-based targets compatible with European funding cycles.

5.3. Social Drift: Broadening of Beneficiary Groups

The *1st Right* also underwent social drift through progressive relaxation of eligibility criteria. Legislative changes (2021–2024) raised income limits from €1700 to €4500 monthly and broadened housing unfitness definitions to include excessive financial burdens. This expansion opened access to households earning up to 3.2 times the national median income (€1400/month, 2024), theoretically extending the program to middle-income families.

While comprehensive beneficiary data remains unavailable, three indirect indicators suggest potential redistributive reconfiguration.

First, in municipalities such as Lisbon and Cascais, a significant portion of RRP investments explicitly supported “affordable housing” (*habitação acessível*) or “cost-controlled rental” (*arrendamento a custos controlados*) modalities designed for middle-income segments rather than severe deprivation cases.

Second, municipal communications increasingly frame *1st Right* as serving “young families” and “middle-class affordability pressures” rather than extreme vulnerability.

Third, field reports from housing activists indicate that highly deprived neighborhoods such as Segundo Torrão (Almada) or Santa Marta (Seixal) continue to face limited or delayed interventions, suggesting resource prioritization toward more politically visible constituencies.

These indirect indicators suggest potential social drift, though conclusive verification requires beneficiary microdata currently unavailable in public monitoring systems (see Section 6.7 for detailed discussion of data limitations).

5.4. Converging Dynamics and Empirical Evidence

The convergence of territorial, instrumental, and social dimensions produces cumulative transformation in the LMA’s housing landscape. Program results increasingly reflect administrative feasibility rather than redistributive objectives: municipalities with greater absorption capacity implement most projects; rehabilitation dominates intervention typology; and middle-income families emerge as legitimate beneficiaries. Table 5 systematizes these multidimensional deviations.

Table 5. The three axes of distortion of *1st Right* in the Lisbon Metropolitan Area.

Consequence	Observed Evidence	Dimension
Resources diverted from more vulnerable territories to more institutionalized ones.	Concentration of implementation in municipalities with higher technical and financial capacity.	Territorial
Consolidation of existing stock without significant expansion of supply.	Predominance of rehabilitation of public housing stock over construction/acquisition of new dwellings.	Instrumental
Dilution of the vulnerable target group and redefinition of the program as an “affordable housing” instrument.	Broadening of eligibility criteria and entry of the middle class.	Social

This empirical evidence demonstrates how integrating social rights housing policies into EU financial recovery frameworks can inadvertently reinforce territorial inequalities and dilute redistributive objectives. These patterns require theoretical interpretation to understand their systemic significance. The following section situates these findings within the conceptual framework established in Section 3, demonstrating how the *1st Right*’s transformation exemplifies broader dynamics of policy drift, mission expansion, and multilevel governance tensions documented across European housing systems.

6. Discussion: Mechanisms and Implications of Policy Drift

This study aimed to examine whether and how the integration of the 1st Right program into the Recovery and Resilience Plan reconfigured the original redistributive objectives. The empirical findings directly address this objective, identifying three interrelated forms of policy deviation. First, the analysis of municipal implementation in the Lisbon Metropolitan Area reveals a territorial deviation, in which unequal administrative capacities condition access to funding and the results of the intervention. Second, the predominance of rehabilitation over new construction highlights an instrumental deviation driven by the RRP's time and performance constraints. Third, legislative and discursive analysis shows social deviation through the expansion of eligibility criteria and the growing inclusion of middle-income groups. Taken together, these findings confirm that the research objectives are to empirically relate program outcomes to the institutional reconfiguration mechanisms identified in the analytical framework.

Evidence from the LMA confirms the 1st Right underwent profound institutional reconfiguration—incremental transformation that altered its function without formally changing objectives. While the founding goal of combating severe housing deprivation remains rhetorically intact, operational implementation has become increasingly conditioned by financial, administrative, and political imperatives linked to the RRP. This section interprets these empirical patterns through the analytical lenses of policy drift, mission drift, middle-class capture, and multilevel governance, situating the Portuguese case within broader European dynamics.

6.1. Policy Drift and Functional Transformation

These findings indicate what was stated by Hacker [8] and Béland [9], namely, that policy drift occurs when programs adapt to new institutional and economic contexts without formal reform, gradually altering their outcomes. The *1st Right* exemplifies this mechanism: RRP integration introduced rigid temporal and financial frameworks that transformed implementation logic. While the original project prioritized social needs and long-term housing solutions, the RRP's focus on short-term financial absorption reoriented the program towards measurable and certifiable outcomes. Rehabilitation projects became privileged because they satisfied performance indicators imposed by European funding cycles. The result is a policy that maintains its symbolic identity as a social rights instrument while functioning operationally as an efficiency-oriented financial mechanism, compromising both redistributive intent and the social sustainability of metropolitan housing systems.

6.2. Mission Creep and the Expansion of Objectives

Taken together, the results suggest that, parallel to functional transformation, the *1st Right* shows clear signs of mission drift with the gradual broadening of objectives and target population. Since 2021, government discourse has increasingly portrayed the program as serving not only vulnerable groups but also middle-income groups experiencing financial difficulties. The rhetorical evolution from “combating severe housing deprivation” to “ensuring housing for all” reflects a deliberate strategy of symbolic inclusion. This discursive expansion underpins political legitimacy and institutional visibility but blurs the distinction between redistributive policy and accessibility policy. The broader the target population becomes, the weaker the program's ability to focus on extreme vulnerability.

This symbolic expansion has been accompanied by institutional adjustments—new eligibility criteria, flexible income limits, “affordable rental” modalities—that redirect the

program as a hybrid mechanism serving both social welfare and middle-class housing stability. This illustrates the compromise between political inclusion and distributive precision characteristic of mission drift in social policy.

6.3. Middle-Class Capture and Redistribution Dilution

The inclusion of middle-income beneficiaries exemplifies middle-class capture [14,15]. In contexts of housing crisis and political volatility, middle-income groups exert greater political visibility and demand responses. By extending coverage to these groups, policymakers mitigate social discontent and broaden political support but redirect limited resources from those in severe deprivation. These transforms targeted redistributive policy into a broad accessibility instrument, weakening redistributive effectiveness. In the LMA, this is particularly evident: municipalities with greater capacity (Lisbon, Oeiras) attract larger RRP shares for mixed-income interventions, while territories with deep vulnerabilities remain underserved, reinforcing both territorial inequality and social stratification.

6.4. Multilevel Governance and European Conditioning

The reconfiguration of the *1st Right* cannot be understood in isolation from its European governance context. As demonstrated by Hooghe and Marks [20] and Piattoni [21], multilevel governance arrangements distribute power between supranational, national and local actors, creating complex hierarchies of accountability. In the case of the *1st Right*, the European level, through the RRP, effectively set the pace and criteria for implementation. Compliance with European benchmarks and verification processes became more decisive than social orientation or local adaptability. This dynamic exemplifies a Europeanization of housing policy, in which supranational financial logic overrides national redistributive intent.

This created a vicious cycle at the local level: municipalities with greater administrative capacity met performance standards, while others fell behind, deepening geographical inequality. European conditionalities encouraged administrative efficiency but undermined equity-based principles essential to the original policy.

6.5. The Portuguese Case in European Context

The *1st Right's* reconfiguration reflects broader European trends, where housing policies are reformulated as investment and recovery instruments rather than social welfare pillars. Similar patterns appear in southern European countries [4], where programs originally designed to combat exclusion evolved into vehicles for urban regeneration and middle-class support. This illustrates a structural shift towards performance-driven governance of social policy, where budget execution logic and measurable results override redistributive intent. While distinct from housing financialization (market mechanisms, speculation), this technocratic reorientation similarly subordinates social objectives to administrative and financial imperatives.

The Portuguese case demonstrates that policy drift does not require explicit retreat to erode social functions; it unfolds subtly through administrative adaptation, performance management, and symbolic reformulation. Understanding these mechanisms is essential for rethinking how European funding structures can better align with social objectives, ensuring the right to housing is realized substantively rather than merely formally.

6.6. Comparative Implications

The LMA patterns resonate with broader European trends yet reveal distinctive mechanisms. Unlike Nordic welfare retrenchment (Denmark, Finland) or Anglo-liberal revisualization (Ireland, UK), the 1st Right's transformation occurs through integration into an ostensibly progressive EU recovery framework. This reveals that policy drift can be accelerated not only through neoliberal marketization and housing financialization but also through technocratic Europeanization, where performance metrics subtly override redistributive objectives even in ostensibly progressive frameworks.

This holds particular salience for Southern European contexts (Spain, Italy, Greece) characterized by limited social housing stocks and familial welfare provision. The Portuguese case extends existing scholarship by demonstrating that policy drift can be accelerated—not prevented—by integration into supranational funding mechanisms ostensibly designed to strengthen social investment. This has critical implications for understanding how EU recovery instruments interact with national social policy traditions.

This analysis should not be interpreted as opposing performance management *per se*. Deadlines and measurable results serve legitimate accountability purposes. The problem lies in what gets measured: RRP indicators privilege outputs (dwellings built, budgets spent) over outcomes (who benefits, deprivation reduction). A well-designed performance system would include social indicators—beneficiary income distribution, vulnerability reduction rates, territorial equity—alongside financial execution metrics. Denmark's monitoring of beneficiary income deciles [6] demonstrates that performance frameworks can support rather than subvert social objectives when indicators align with substantive policy intent.

6.7. Key Policy Implications

The findings generate three critical implications:

- For national governments: Social rights programs require institutional safeguards when integrated into performance-based EU funding—protected eligibility criteria, differentiated instruments by target group, and monitoring systems tracking social outcomes alongside financial execution.
- For EU institutions: RRP design should accommodate social policy's temporal and procedural requirements. Rigid deadlines and quantitative targets risk displacing redistributive objectives; future recovery instruments need flexibility mechanisms for complex social interventions.
- For local authorities: Municipal capacity disparities require proactive compensation through technical assistance, capacity-building, and differentiated support. Without these, EU funding reinforces rather than reduces territorial inequalities.

6.8. Study Limitations

This analysis focuses on the LMA which, while representing 60% of national housing needs, may not fully capture rural or less urbanized dynamics. The temporal scope (2018–2024) captures RRP integration but cannot assess longer-term outcomes beyond the 2026 deadline. Future research incorporating interviews with municipal officials and beneficiary households would provide valuable complementary perspectives.

Critical data gaps limit analysis of social drift. Public monitoring systems track financial execution and dwelling counts but not beneficiary characteristics (household income, employment status, previous housing conditions). Our analysis therefore relies on structural examination (regulatory changes creating institutional space for drift) and indirect indicators (municipal discourse, intervention geography) rather than beneficiary-

level verification. Future research with administrative microdata linking dwelling allocations to household income records would strengthen or challenge these provisional findings.

7. Conclusions and Implications for Public Policy

This article examined how the 1st Right program, originally conceived to guarantee the right to housing for families in severe deprivation, was reconfigured following its integration into the Recovery and Resilience Plan. Using the Lisbon Metropolitan Area as a critical case, the analysis demonstrates that Europeanized funding logic can significantly reshape the redistributive orientation of national housing policies, even when their formal objectives remain unchanged.

The results show that the integration of the 1st Right into the RRP led to a systematic process of political deviation that operated in three interconnected dimensions. Territorial deviation arose through unequal municipal implementation capacities, instrumental deviation through the prioritization of rehabilitation over the expansion of housing supply, and social deviation through the extension of eligibility criteria beyond the most vulnerable groups. Together, these dynamics show how funding frameworks based primarily on performance can subtly but decisively alter the functioning of rights-based social policies.

Beyond the Portuguese case, this study contributes to broader debates on housing governance and social sustainability in Europe, highlighting the institutional mechanisms through which supranational recovery instruments interact with national social welfare policies. The results suggest that, without explicit safeguards, financial performance requirements can undermine redistributive objectives and reinforce existing territorial and social inequalities.

From a policy perspective, the conclusions highlight the need to better align European funding instruments with the temporal and social requirements of housing policies. This implies strengthening the monitoring of social outcomes, differentiating policy instruments according to target populations, and addressing disparities in municipal capacity.

This recommendation applies equally to Portuguese national monitoring systems. Even within current EU frameworks, national governments retain autonomy to establish supplementary performance indicators tracking social outcomes independently of supranational requirements. Portugal should implement comprehensive monitoring of beneficiary socioeconomic profiles, deprivation reduction rates, and territorial equity in 1st Right implementation—not as an EU compliance obligation but as a domestic accountability mechanism ensuring policy alignment with constitutional housing rights commitments. Such monitoring would enable real-time detection of the drift dynamics documented in this study, permitting corrective interventions before redistributive objectives become irreversibly compromised.

Ensuring that recovery frameworks support (rather than reconfigure) the right to housing remains a central challenge for future European housing policy beyond the RRP cycle.

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