Remaking Housing Policy

An International Study

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Chapter 3

Housing Regimes

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The aim of this book is to examine housing policies in a number of countries, with a view to judging their success in achieving well-being for dwellers and to see what can be learned from experience in different contexts. This chapter focuses on the international dimension of the analysis. In the previous chapter, the discursive approach to policy-making was adopted in which the focus is on the language games, coalition-building strategies and power activities that shape policy outcomes and are reified into a set of social practices. In any given country, these practices will constitute a housing regime. The concept was introduced in Chapter 1 and defined as 'the set of discourses and social, economic and political practices that influence the provision, allocation, consumption and housing outcomes in a given country'. The concept of a housing regime allows us to examine both the agency of different actors and the structural elements of housing policy.

The book examines some examples of housing policy mechanisms in a number of countries, but it is important to note that the book does not aim to provide a systematic international comparative analysis. Rather, experiences in six different countries (which will be introduced at the end of the chapter) are offered as examples in order to make particular points about housing policy. Clearly there are limits to what can be learned from looking at a number of countries if their differences are marked and if the context within which housing policy is pursued varies considerably. The importance of the context of housing policy is emphasised in the literature on policy transfer (see, for example, Dolowitz et al., 2000). There are many examples of policies and practices being transferred from one country to another with very poor results. For example, a number of attempts were made to import Scandinavian-style housing co-operatives to Britain with very little success because of the very different social practices, legal structures and cultures within the countries (see Clapham and Kintrea, 1987). Despite potential problems, looking at examples of housing policy in different countries may serve to open our eyes to new possibilities or help to identify lessons that can improve policy and provision. The important factor is to be aware of possible problems with potential transfer and to be alert to the importance of the context within which particular forms of provision are embedded in a particular country. In order to do this the concept of housing regime is adopted in the book, which enables us to highlight the similarities and differences between countries in the extent and objectives of state intervention. It facilitates a degree of categorisation of countries into similar groupings, which is necessary if we are to be able to generalise experience across countries. Examining examples from different countries allows specific factors to be isolated and their impact gauged. In other words, it enables us to understand how policies have taken the shape they have and had the impact they have in different contexts.

The housing regime approach enables the context in a particular country to be explored in a consistent way and gives a framework for the context of policy to be compared. Therefore, it may be possible to argue that a particular policy mechanism that has a specific set of impacts in one country would have the same or similar impacts in another country with a similar housing regime. Awareness of the impacts in the regime category or setting and the contextual factors involved may also enable a judgement to be made about the impact that the policy would make in another setting or regime. For example, on the basis of an analysis of the impact of the policy of the provision of social housing for low-income households in a number of different housing regimes, we may be able to draw the conclusion that the policy has one set of impacts in a neoliberal regime and another in a social-democratic regime. An analysis of why this is the case may enable us to make a judgement on what the impacts would be in a different housing regime.

In this chapter, we introduce the concept of housing regime by examining a number of approaches to the explanation of the similarities and differences between countries. The first approach to be described and evaluated is the welfare regime approach based on the assumed importance of political ideologies. This is followed by a review of the path dependence approach that emphasises continuity and the importance of the institutional structure within individual countries. The third approach is labelled the 'varieties of residential capitalism' and focuses on the financialisation of housing having major impacts in many countries because of the growing links with the global financial system. This discussion is used to develop the adopted approach to the concept of housing regimes that aims to be holistic and to take into account the factors highlighted by the three approaches.

Welfare regimes

The concept of welfare regimes is based on the work of Esping-Andersen (1990) who examined welfare expenditures in a number of European countries and categorised the resultant differences into three regime types, the social-democratic, the conservative and the liberal (which is equivalent to what we label here as neoliberal), which he argued had 'qualitatively different relationships between state, market and the family' (Esping-Andersen, 1990, p. 26). Zhou and Ronald (2017, p. 255) sum up well the main regime types,

> in social-democratic welfare states, universal social rights are given to a large proportion of the population based on citizenship, with the state dominating provision. The regime is thus highly de-commodified with low stratification. The market is often crowded out and the cost of raising a family is also socialized. In conservative welfare states meanwhile, the distribution of social rights is often based on class and status, consolidating divisions among wage earners. Social policies characteristically maintain social differentiation with individual welfare conditions modified by non-state providers: faith-based communities, trade unions, kinship networks, etc. Conservative regimes thus ensure both a measure of de-commodification and a high level of stratification. It is often shaped by the church and committed to the traditional role of family. Thirdly, in liberal (or neoliberal) welfare states, governments usually ensure limited well-being for the very poor, providing some welfare services based on means testing. The policy regime typically seeks to maximize the function of the market while minimizing the state's involvement. There is thus a low degree of de-commodification and high levels of stratification.

According to Esping-Andersen, a regime constituted the power relationships that structured welfare provision in a country, and he focused particularly on the power of the labour movement in structuring his regime types. This concept of a regime is narrower than the one taken in this book that focuses on both the power structures around the provision of housing and the type of housing itself, as we will discuss in a later section. It is important at this stage to be clear about the nature of the categories used in the welfare regime approach and how they are determined. Esping-Andersen undertook his categorisation on the basis of actual welfare expenditures, and so his categories were clusters of countries based on actual policies. He then generalised across these countries to construct his regime type, although he was aware of differences between countries in the same cluster. Therefore, his generalisations were not 'ideal types' in the Weberian style that would be logically consistent models created from idealised concepts, as Esping-Andersen's came from the grouping of countries based on data. Nevertheless, he used them like ideal types in the sense that the categories he created are abstract creations that are meant to show possibilities that actual practice can be compared with, rather than 'real life' categories themselves that would accurately describe the situation in any individual country. Housing studies have tended to follow Esping-Andersen's approach by constructing ideal types from empirical research on particular countries, but the core point about whether the categories are descriptions of actual situations or logically consistent ideal types is often left unclear.

Esping-Andersen himself saw the political power of the labour movement as being the factor that primarily influenced the regime of any particular country. Others (see, for example, George and Wilding, 1976) have sought to give more depth to the categorisation by exploring the ideological basis of the categories. Esping-Andersen's regime types do relate closely to the major political ideologies that have shaped political discourse in the advanced capitalist countries, although they need to be expanded to include ideologies that are prevalent in other countries outside this narrow core. This analysis places emphasis on the influence of political choice in creating and sustaining a particular housing regime.

It is interesting to note that the original categorisation was based on welfare services and did not include housing, perhaps reflecting housing's situation as the 'wobbly pillar' of the welfare state (Torgerson, 1987). However, the approach has been widely used in housing research with important contributions from Kemeny (1991) and Castles (1998) to add housing into the analysis. Kemeny identified three causes of housing regimes: the balance of power between capital and labour, its mediation through social and political structures and what can be thought of as an underlying ideology. Kemeny's major contribution was to make the link between owner-occupation and other welfare services. He argued that owner-occupation gave households an asset that could be used to fund old age and so made them less likely to vote for universal pension provision. Also, he argued that owner-occupation was an individual form of consumption that made households less likely to support universal and collective forms of welfare and other state services. Castles confirmed the link between high rates of owner-occupation and lower welfare spending in a wide range of developed countries but argued that the causation could be the opposite to that suggested by Kemeny. In other words, low welfare spending would encourage households to enter owner-occupation in order to protect themselves by individualising consumption and building up an asset to provide security. Following Kemeny's and Castle's analysis one would expect countries with neoliberal (or liberal using the original terminology) welfare regimes to have high rates of owner-occupation and social-democratic regimes to have low ones and high rates of state-provided rental housing. The extent of owner-occupation may be linked to ideologies of

'asset-based welfare'. Here the expectation is that people will build up capital during their working lifetime in order to fund their life in older age. The major asset for most households is in an owner-occupied house, and so housing is at the core of this approach. If people can be persuaded to build up equity in their house to finance their retirement, then welfare benefits such as state pensions and services such as health, social care and residential accommodation can be cut back and reserved only for those with no assets. Of course, there needs to be adequate means of unlocking these assets through equity release products or through trading down to smaller and cheaper accommodation. Also, this approach has profound distributional consequences as universal welfare services available to all will be replaced, at least in part, by benefits based on the ownership of capital that is very unevenly distributed between people.

Kemeny also made the distinction between unitary and dual rented sectors. A unitary sector is dominated by the public sector and by state regulation that forces the private sector to play a subsidiary and complementary role. In dual rental markets the public sector is not allowed by government to compete with private rental and so occupies a residual role confined to those unable to be housed in the private sector. The distinctions in tenure structure form the basis for the integration of housing into the welfare regimes. A neoliberal regime is likely to have a high rate of owner-occupation and a dualistic rental system. A social-democratic regime is likely to have low owner-occupation and a unitary rental system. A corporatist regime is likely to have low rates of owner-occupation and low public rental with a large private rental sector run on dualist lines.

Hoekstra (2003) related the characteristics of the welfare regimes to particular aspects of housing systems. For example, he linked the concept of de-commodification to the housing subsidy and price regulation system; stratification to housing allocations; and state, family and market mix to the systems for the production of new housing. Therefore, the nature of housing systems is susceptible to the welfare regimes approach.

One criticism of the early work on welfare regimes was the limited number of countries considered as well as the relative lack of focus on the family element of Esping-Andersen's original trilogy. With a widening of the scope of analysis, a number of different regime types have been added, such as a familial model based on the Southern European rudimentary welfare states (Leibfried, 1992). In housing, these countries tend to have high rates of owner-occupation and small rental sectors, with most building taking place through familial structures and being 'self-built' often on family-owned land with an under-developed speculative development industry and very limited state involvement (Allen, 2004). Another addition has been an East Asian regime based on Confucian values that stress the importance of family and community mutual support (Lee and Ku, 2007). However, in the case of China, which is reviewed later, this has been superseded by a concern with a 'productivist' regime where social (and housing) policy is aimed primarily at economic factors. There was also consideration of an Eastern European or socialist regime during the transition from communism in the 1990s, but it is now generally accepted that most of these countries have moved towards a neoliberal welfare regime (Matznetter and Mundt, 2012). However, the regime type has relevance still in countries with periods of socialist political ideologies such as certain times in China.

Studies have been almost entirely concentrated on the developed economies, and few have considered countries in South America or Africa. This neglect may be due to a realisation that context matters, and the economic, social and demographic context facing countries in these regions is very different from that of the advanced capitalist countries usually studied.

Although the welfare regimes approach does include institutions and, to some extent, the outcomes of welfare ideologies, these are tied in with the political ideologies in the regimes identified, and so it is difficult to isolate their influence and to distinguish between regimes where similar ideologies have been implemented in different ways. The type of institutions may differ according to cultural and historical factors rather than political ideology. Therefore, we need to examine other approaches to be able to construct a clearer picture of the important factors in the housing regime that vary between countries.

Path dependence

An initial criticism of the welfare regimes approach is that the categories were constructed on the basis of circumstances at one point in time. Authors who stress path dependence in housing argue that the regimes are constantly changing and analysis should examine these trajectories over time (see Bengtsson and Ruonavaara, 2010). Path dependence can be defined as 'a historical pattern where a certain outcome can be traced back to a particular set of events on the basis of empirical observation guided by some social theory' (Bengtsson, 2008, p. 5). The argument is that housing policy is usually incremental in nature and is strongly influenced by the institutions involved in an ongoing and self-reinforcing chain of games played by actors and institutions in which change is limited by the power of actors to define what is legitimate, the costs of change and the power vested in existing institutions. There is a close similarity here with the concept of the discursive policy-making outlined in the previous chapter. Path dependence recognises that there are 'critical junctures' in which times a change of direction takes place that brings about more radical change. They argue that 'history matters' if one wants to understand the dynamic nature of housing regimes. A path dependence method is to find a point at which a key housing decision is made by government and then to trace back to find the critical juncture at which the factors that made this decision necessary and possible become apparent and to then to analyse the mechanism by which the two points were related (Bengtsson and Ruonavaara, 2010).

Bengtsson and Ruonavaara (2010, p. 195) argue

> the typical case of path dependence is where actors design institutions or make policy decisions at point (or points) A, which at a later point B set the rules of the political game between the same or other actors. In retrospect, the historical development can be perceived as an ongoing and self-reinforcing chain of games between actors, institutional change, new games, new institutions, etc.

Therefore, authors in this tradition recognise the importance of the existing state of affairs in legitimising current activities and creating boundaries of what is acceptable in policy debate. Again, this has many similarities with the discursive approach outlined in the previous chapter. Bengtsson and Ruonavaara (2010, p. 195) state,

> This means that the (relatively) contingent events at point A would make some alternatives appear either to be more efficient, more legitimate or more powerful at point B. The *efficiency mechanism* of path dependence has to do with the coordinating capacity of established institutions and the transactions costs of changing them. The *legitimacy mechanism* may influence either what political actors themselves see as legitimate or their perceptions of what is legitimate in the society at large. Correspondingly the *power*

mechanism may affect either actors' own power or their perceptions of power relations in the larger society. The power mechanism may also have an impact on which actors are allowed to take part in the decision-making at point B.

A key element of path dependence studies is a periodisation based on the critical junctures when political choices have been made to change housing policy, although sometimes the critical juncture is the housing policy change and sometimes it is the presumed factor that triggered the change. This can sometimes lead to a very mixed categorisation with housing factors (such as a choice to produce large-scale, state-provided rental housing) alongside trigger factors (such as wars or economic crises). However, most studies have focused on the housing policy changes. Following their study of housing policy in the Nordic countries, Bengtsson and Ruonavaara (2010) identified four historical phases based on housing policy:

> an establishment phase with limited housing reforms in response to the early urbanisation; a construction phase with comprehensive and institutionalized housing policies aimed at getting rid of housing shortage; a management phase where the more urgent housing needs had been saturated; and a retrenchment phase with diminishing state engagement in housing provision.
>
> (Bengtsson and Ruonavaara, 2010, p. 196)

The five Nordic countries were said to have passed through these phases at different times as they were subject to the same structural forces of industrialisation, wartime crises, mass construction and privatisation. However, their housing regimes remained different from each other and reflected the historical forms that provision had taken in each country. In their study of housing policy in the four largest Latin American countries, Murray and Clapham (2015) identified three phases of housing policy: spreading informality and accruing social housing debt; acceptance of the Washington consensus; and building the way out of recession. All of the four countries passed through these phases at different times and with different impacts on their housing regime depending on the nature of their housing institutions. In studies of Eastern European countries, Clapham (1995) identified a set of changes that were occurring in the housing regimes in these countries as they moved towards western economies. Therefore, periodisation based on changes in housing policy is a key feature of studies using the path dependence approach.

Malpass argues that the continuities identified by studies of path dependency in housing are appropriate at a very general level. Therefore, he argues that the general aims of British housing policy have been constant over a long period of time, but that there has been substantial change at a more operational policy level. More fundamentally, Malpass (2011) criticises the basic assumptions about change in the path dependence approach, which he argues are contradictory. The approach assumes that there are long periods of incremental change in one direction determined by the forces of existing institutions, but these are interrupted by critical junctures that result in substantial change. Malpass argues that, in reality, housing regimes are in constant incremental change that can lead to radical departures over a period of time. He uses the example of the switch from local councils to housing associations as the major provider of social housing in Britain to show that a series of small changes, often not with any particular end state in mind and sometimes accidental, can have significant results. Therefore, he argues that the path dependence focus on critical junctures

is a misleading one, as is the assumption that change is not an ongoing phenomenon. He also takes issue with the assumption that moves down any particular path make a reversal of direction less likely. He argues that there is an ongoing process of review in which housing policies are judged on their impact and can reach a point at which they can be shown not to 'work' or to be ill-suited to a new situation and so be changed. In reality, he argues that there is not incremental change in one direction with occasional radical moments, but constant minor change in many different directions at the same time. He cites Streeck and Thelen (2005, p. 31) who introduce a more complex picture of change by identifying a number of ways that the institutional dynamic that results in the unidirectional and incremental change can be altered:

- *Displacement*: slowly rising salience of subordinate relative to dominant institutions;
- *Layering*: new elements attached to existing institutions gradually change their status and structure;
- *Drift*: neglect of institutional maintenance in spite of external change resulting in slippage in institutional practice on the ground;
- *Conversion*: redeployment of old institutions to new purposes; new purposes attached to old structures; and
- *Exhaustion*: gradual breakdown (withering away) of institutions over time.

Malpass identifies the existence of both displacement and layering in his study of the move from local authorities to housing associations in Britain. Nielsen (2010) uses the concept of institutional weariness to understand change in Danish housing policy. She identifies three hypotheses of change in housing policy:

1   Change can happen either as intended action, non-decision-making or unintended consequences.
2   Housing policies change more often through *drift*, *conversion or layering* than through high-profile reforms due to the high level of institutional feedback-mechanisms and status quo in the general environment.
3   Information on the consequences play a key role – as more information on the consequences of the changes reach the public the status quo pressure on the policy-makers increases, making radical change less likely.

The path dependency studies have been at pains to point out the differences between the housing regimes in the countries studied, as one criticism of the welfare regimes approach has been the neglect or de-emphasising of these differences. However, this criticism is less applicable to categories used as ideal types, where the aim is just to highlight issues through comparison with an ideal. Nevertheless, the 'path dependency' approach does highlight the importance of housing institutions (including both organisations and social institutions or social practices in housing) in influencing the shape of the housing regime. Similar trends may take a unique form in different countries because of the objectives, priorities and forms of the different institutions involved. For example, owner-occupation may mean different things in terms of the duties and rights of owners and the meaning of the tenure may vary in different circumstances (see Mandic and Clapham, 1996). Rented housing may be produced and managed by local authorities or housing associations. Social structures may also be important. By this is meant the shared meanings that may exist

in a country about the status of different tenures or the way that housing is consumed. Institutions are viewed here as sets of regularised practices with a rule-like quality in the sense that the actors expect the practices to be observed and which, in some but not all, cases are supported by formal sanctions. They can range from regulations backed by the force of law or organisational procedure, to more informal practices that have a conventional character. An important element of the social practices in a housing regime is made up of the mechanisms used by government to achieve its aims. A range of these including regulation, direct provision and the taxation and subsidy mechanisms was highlighted in the previous chapter. As is argued in Chapter 4, governments make the housing market and the housing regime, and the mechanisms they use to do this, are themselves major elements of the regime.

Varieties of residential capitalism

In the discussion so far, emphasis has been on the factors within a country that can influence the shape and trajectory of the housing regime. However, it is argued that there are some general factors that may shape all regimes to some extent. For example, it has been argued that financial globalisation is one of these factors (Clapham, 2006). Kemeny and Lowe (1998) drew attention to what they labelled as 'convergence' approaches to comparative housing that highlighted the similarities in the trajectories of different countries in the face of global influences. In particular, it is often argued, compellingly, that most countries are moving towards a more neoliberal and free market approach. Whilst not accepting the 'convergence' argument, the 'varieties of capitalism' approach does emphasise the impact of global forces and, in particular, places the focus on the housing finance structures and how they interact with global financial markets. It is argued that financial deregulation from the 1990s onwards allowed for the financialisation of global capital, meaning that 'profit-making increasingly occurs through financial channels rather than through trade and commodity production' (Aalbers, 2008, p. 148). As a new way of capital accumulation, national housing finance systems became more strongly integrated in the global economy, which in turn became increasingly dependent on the performance of housing markets. Mortgage and other finance institutions came to rely more strongly on market-oriented funds and inter-bank lending (as opposed to their deposit base) to finance domestic activities. One form of this was mortgage securitisation that meant that mortgage debts were packaged together and sold on the world financial markets and which, when they became increasingly problematic because of a growth in mortgage defaults, became a major factor in the Global Financial Crisis (GFC). However, countries varied in the degree to which they deregulated their housing finance markets, and some (such as Germany, Austria and France) maintained controls that limited the exposure to global finance markets, and so they avoided some of the major effects of the GFC.

Aalbers (2015) identifies a periodisation of housing policy by documenting a shift from what he terms a 'pre-modern' period to a 'modern/Fordist' era of housing policy to a 'flexible neoliberal/post-Fordist' one that laid the conditions for the Global Financial Crisis in 2008 that led to the present 'emerging post crisis/late neoliberal' era. The 'modern' era was characterised by large-scale housebuilding often through the provision of social housing, whereas the developments in the neoliberal era were the neglect of social housing, the growth of owner-occupation and the financialisation of housing. He argues that the period leading up to the 2008 Global Financial Crisis was characterised by a growing

synchronisation of housing policy across many countries in both the developed and developing world. He argues that:

> One effect of globalisation is that contemporary countries go through the same developments at roughly the same time. This does, of course, not imply that globalisation has the same effects around the globe. On the contrary, globalisation is a process of uneven development at the global scale and on a global scale.
>
> (Aalbers, 2015, p. 46)

The credit associated with commodified housing becomes an increasing part of national economies as well as personal wealth and credit. The emerging post-crisis era is characterised by a reduction in house building in general and in the proportion of people in owner-occupation, as problems of affordability become pronounced. This has caused an increasing problem for younger people wishing to enter owner-occupation for the first time.

Aalbers notes that the GFC has had a different impact in individual countries because of uneven development, brought about by varying exposures to global financial markets. Schwartz and Seabrooke (2009) offer a collection of the experience in a number of countries following the GFC and show the differences on the make-up of the form of residential capitalism due to the economic structure and the openness to global financial markets, as well as the response of governments to this. On this basis, they identify categories of residential capitalism as corporatist market, statist-developmentalist, liberal market and familial. One drawback of these studies is that they are limited to what may be called developed countries, and there is little reference to countries in the global south. Aalbers (2015 pp. 45–46) does note in passing that the same recent trends such as the neoliberalism of policy and growing mortgage securitisation are present in many of these countries and some have a housing system that 'has one foot in the pre-modern period and one foot in the post-Fordist period, some of them entirely skipping the modern or Fordist period in housing' (Rolnik, 2013) where many countries have come straight to this point without moving through the modern period. The assumption here is that the same analytical categories are appropriate in the global south, and this would seem to be confirmed in the case of some South American countries (Murray and Clapham, 2015), a point we will return to in the book as we examine housing policy in some of these countries.

Schwartz and Seabrooke (2009) construct a regime typology on the basis of two important factors that influence the different macro-economic impact of housing finance structures. The first factor is the extent of owner-occupation that indicates how 'commodified' and thus open to financial forces the housing system is. The second factor is whether the housing finance system is 'liberal' or 'controlled'. This is measured by the amount of mortgage debt as a proportion of GDP and the degree of mortgage securitisation, which limits state control over the housing finance system and links systems more closely to general global financial markets. Schwartz and Seabrooke (2009) use these two factors to produce a different typology from that common in the welfare regimes approach. Highly commodified and liberal finance regimes tend to fit the traditional 'liberal' (or neoliberal) welfare regime. However, the traditional social-democratic group is split between what Schwartz and Seabrook call a corporatist-market (which includes some social-democratic countries as well as those in the corporatist regime type) and a 'statist-developmental' category that includes some of the traditional social-democratic welfare regimes with a low rate of owner-occupation and a controlled system.

   The strength of the 'varieties of capitalism' approach is that it includes in the analysis the national political economies that condition economic performance and social well-being. This is an important adjunct rather than alternative to the focus on welfare policy, as housing policy and housing outcomes are influenced by both welfare and finance issues and at local, national and global scales. As Aalbers (2015, p. 46) notes,

> housing is not only national in nature, but also local and global. As is well understood, housing is local in nature because housing markets work locally but, in the majority of countries, most housing market institutions and the lion's share of housing policies are embedded at the national scale. Housing is also global in nature because, first, some agents of housing markets work globally, and, second, the ideology of housing as well as of states and markets is shaped in a complex fashion at the intersection of national and international trajectories.

He argues that the there are some common trends in the trajectories of countries, particularly in more recent times, but maintains that this does not imply that there is convergence, as countries still have their distinctive institutions and structures at the local and national levels.

   The periodisation suggested by Aalbers is similar to that provided by path dependence theorists. Although its precise form and labelling is more linked to economic factors, the housing policy periods and their defining characteristics are similar. Also, following the varieties of capitalism analysis, it is clear that the Global Financial Crisis in 2008 is a 'critical juncture' that has had profound impacts on many housing regimes. The precise impact though will depend on the nature of that regime. Therefore, a useful way forward seems to be to adopt a periodisation, whilst accepting the existence of different regimes that reflect political attitudes towards welfare and to the relationship between housing and economic and financial structures.

Housing outcomes

Most of the studies of comparative housing reviewed above focus on housing policy and policy-making, and there is a relative neglect of the housing circumstances facing dwellers. Housing circumstances are both an outcome and an input into housing policy-making. The situation faced by dwellers will be an influence on the political process and could help to frame and define housing problems. At the same time, housing policy is predominantly aimed at altering these outcomes in a desired direction (some housing policies are aimed at other objectives as we will see later). This does not mean that the state is seen as a neutral arbiter reacting to housing conditions to create a 'better' housing system, as it is recognised that many other factors influence policy. But, housing outcomes can be used as a criterion for judging the efficacy of housing policies as we showed in the previous chapter in our discussion of the concept of well-being.

   Comparative studies of housing have tended to focus on tenure as the defining issue in housing outcomes as well as some aspects of physical housing conditions such as overcrowding or houses in poor repair. Perhaps the most important index of this type relates to the amount that households pay for their housing and its relationship to their income and wealth. Housing regimes may have variable impacts on different income groups with some being redistributive in leading towards greater equality and others reinforcing or

strengthening existing inequalities. Therefore, an index of the relationship between monetary and housing incomes is important in defining the impact of a housing regime.

Indicators of physical housing conditions may be important, but they do not offer any insight into how people experience their housing and what it means to them as they are mediated by cultural and personal factors as we shall see in Chapter 5. Therefore, outcomes in terms of the material structures and conditions need to be supplemented and perhaps even superseded by those that capture the personal and subjective impact on individuals by using measures such as housing satisfaction or subjective well-being as outlined in the previous chapter. The concept of affordances is used in the book to cover both the use and meaning outcomes that a person's house can afford them. In other words, it covers factors such as the activities of daily living that a house enables as well as the identity and self-esteem that it may bestow. It was argued in Chapter 2 that the affordances considered important by a government may differ according to the housing regime and the political philosophies that it contains. Nevertheless, for our purposes here it is possible to identify a number of affordances that are useful in comparing the outcomes of different housing regimes.

Different housing regimes may result in patterns of outcomes that differentiate between segments of the population in terms of house conditions, affordability and status and meaning. The latter two factors are particularly important as we noted in the previous chapter because they impact directly on individual well-being. There we argued that the most important outcome of housing policy is the impact it has on the well-being of dwellers, and this is the predominant outcome to be considered.

Housing regimes

In their definition of housing regime, Stephens and Van Steen (2011, p. 1037) draw the distinction between housing regimes and housing systems.

> Regimes, in Esping-Andersen's thesis, are the power structures that give rise to systems that contain certain properties (see also Ronald, 2008). So, in Esping-Andersen's (1990) typology of welfare regimes, social-democratic, corporatist and liberal regimes (power structures) have given rise to welfare systems whose essential characteristics produce distinctive patterns of distribution, notably 'decommodification' and 'stratification'.

The distinction between regimes and systems does not seem to be helpful and ignores the way that the power structures are intrinsically related to the institutions and structures of the housing regime. Therefore, here we use housing regime to describe what Stephens and Van Steen call the housing system as well as the power structures and institutional patterns that are associated with it. Therefore, a housing regime is here defined as 'the set of discourses and social, economic and political practices that influence the provision, allocation, consumption and housing outcomes in a given country'.

The three main approaches to comparative housing analysis have largely been treated as alternatives with analysis following one or other tradition. However, housing regimes are complex and are influenced by a wide range of factors. The three approaches are important in that they highlight some of these influences whilst ignoring others. The approach taken in this book is to bring together the factors highlighted by the different approaches as housing policy is influenced by the policy-making discursive games that are reified in the

institutional structure, as well as the welfare ideology and the finance system. Therefore, regime types are established here from a mix of political ideology; institutional housing structures; and social, financial and economic structures. At the same time, it is accepted that the periodisation employed by Aalbers and others gives a useful way of examining the trajectories of housing regimes over time. However, it must be stressed that these are ideal types and do not describe the housing situation or housing policy in the individual countries from which examples are taken in the book.

The different approaches reviewed above all offer insight into the shape of housing policy in a particular country and the factors that influence this. Path dependence is based on the idea that history matters and that the current situation is shaped by decisions made in the past. It uses the concept of critical junctures to highlight times when change is pronounced and important policy choices are made. Although much research in the welfare regimes approach has been criticised for being too static in its analysis, some studies have used periodisations to show how policy can change over time (Murray and Clapham, 2015). However, most insight can be gained from the varieties of capitalism tradition, with its emphasis on the changing world economy and the uneven development of capitalism. Aalbers' periodisation outlined above (Aalbers, 2015) is a good starting point for any analysis. Together with Schwartz and Seabrooke (2009), Aalbers identifies the Global Financial Crisis in 2008 (GFC) as a 'critical juncture' that has resulted in substantial change in housing regimes. Therefore, it seems to offer a key reference point in the analysis in this book.

Residential capitalism

The studies highlighted above focused on the financial form of residential capitalism. This is important in understanding the structure and functioning of housing finance and residential development institutions and markets. For example, in Chapter 1, reference was made to rentier capitalism, and this has been associated with a concern in private companies with short-term share value rather than longer-term profitability which will influence the nature and outcomes of the housing market.

But the housing regime may also be influenced by general factors in the economy. An important one to highlight is the shape and extent of employment markets. For example, flexible labour markets that limit job security and high rates of unemployment are likely to have profound impacts on individual households and on general housing outcomes as well as the shape of the housing system as a whole. In a similar way, the extent of inequality in income and wealth will impact on the ability of individual households to be able to afford housing and to maintain it, as well as the quality they can obtain. It may also shape the structure of tenures and the distribution of housing between groups. Inequality and the labour market may be systematically linked to changes in financialisation, but the link needs to be empirically made, and the factors may have independent impacts that are over and above that caused by financialisation. Therefore, in this book we will take this more general view of the economic sphere as well as focusing on financial structures. The concept of residential capitalism allows housing to be linked with other economic and employment factors that clearly impact on housing policy and outcomes such as the extent of general inequality of income and wealth and the nature of employment markets. Factors such as the extent of unemployment, average and minimum income levels and the security of employment influence the nature of housing.

It is important to take into account the specifics of each country studied, but for the purposes of comparison here, we choose five particular measures. They are the size of GDP, the degree of inequality in the society, the extent of labour market flexibility, whether the economy is controlled or liberal and the degree of financialisation in the housing system.

Welfare ideologies

Despite the assumption of common global trends, national governments have the space for housing policy choices. The response of different governments to the Global Financial Crisis and their structuring and controlling of the residential market will depend to some extent on their political ideology. Therefore, the ideal types offered by Esping-Andersen are still relevant to any analysis if complemented with the more recently identified categories. However, each country has its own variant of political direction, and the mix of national and local government influence in housing means that any categorisation is very general and a simplification of the complex real picture.

Institutional structures

The path dependence approach emphasises the social and organisational institutions that structure the housing regime. The argument is that every country has an individual structure that influences housing outcomes. Examples of the kind of institution considered include meanings of owner-occupation as well as organisational forms for the provision of social housing and the tools and mechanisms used by government to achieve its aims and to 'make the market'. Institutions include the categorisation used by Kemeny between unitary and dual rental systems and the involvement of familial and third-sector institutions. The institutional structure in every country is unique; however, for the purposes of comparison of the countries included in the book four major factors are identified: the extent of housing market dominance, the extent of government intervention, whether there is a corporatist provision structure and the type of social practices. This enables a fourfold categorisation to be made between market dominant, familial, corporatist and government dominant.

Housing outcomes

It was argued above that the outcome of a housing regime is an important element in defining its nature. Although there are many problems in assessing the crucial subjective aspects of housing satisfaction and well-being, it is necessary to consider what we can ascertain about outcomes if we are to understand what the housing regime in different countries delivers to dwellers in terms of their housing circumstances. As we argued in the previous chapter, the most important factor is the impact on the well-being of dwellers. Where this information is available it is a vital element in judging outcomes and is usually assessed in terms of residential satisfaction. Where this is not available the other (output) factors considered here are physical conditions; the extent of housing shortage; and the distribution of housing between different social, income and ethnic groups.

All of these elements go together to comprise the housing regime in a particular country. As noted earlier, the concept of housing regime is used in this book as a way of highlighting similarities and differences between countries. It is particularly useful as a way of incorporating the different contexts facing housing policy in individual countries. Although here

we are divorcing housing policy from its context in order to be able to identify the general lessons to be learnt, context is brought back in through the regimes approach so that the impact of policy can be assessed in relation to the different situations. It may be that one policy instrument works in one regime but not in another.

The six housing regimes

Examples from six countries are used in this book to illustrate aspects of housing policy and will be referred to in the following chapters. Therefore, it is important here to justify this choice and to give some background to the housing regime in each country within which the examples can be positioned. Of course, one of the criteria used to make the choice has to be knowledge of the countries concerned, and this restricts the available options considerably. So, the countries here are ones that I have some knowledge of and have written on in the past, although the level of my knowledge varies considerably between the countries.

The six countries are the UK, the USA, Australia, Sweden, Argentina and China. Together these countries offer a wide range of experience in terms of economic development, political ideology and housing circumstances. Nevertheless, these countries are in no way representative of all countries, and no claims are made for this. Given the focus in this book on the impacts of neoliberal housing policies, three countries were chosen with neoliberal political and welfare ideologies associated with neoliberal housing regimes, and this explains the predominance of the so called Anglo-Saxon countries of the UK, the USA and Australia. Sweden was chosen as an exemplar of a social-democratic political ideology, although as we shall see, this categorisation may not be too accurate now, and its housing regime has become more neoliberal over the past decades, although it retains elements of its social-democratic roots. Argentina provides an example of a developing country with a very different economic, social and political context to the others here, and China offers a very contrasting housing regime and political approach.

In the neoliberal housing regimes, there is a predominant housing policy that is based on a neoliberal view of housing markets in which state intervention is kept to a minimum and outcomes reflect the inequalities in the society. Housing policy interventions here are likely to involve regulating and steering markets and encouragement for them to be more efficient. There may be scope for privatisation in the housing system and enlarging the space for profit-making from housing through mechanisms such as privatisation, especially in the UK where there has been substantial state involvement in the past.

The predominance of countries with neoliberal housing regimes reflects the aim of the book in elucidating the nature and evaluating the outcomes of this regime type. Even some of the other countries chosen, such as Sweden and Argentina, show substantial elements of the neoliberal approach and are moving strongly in this direction. China has had periods of neoliberal dominance although it has moved away from this recently because of productivist concerns. The absence of a clear alternative to the neoliberal regime means that it is not possible to compare neoliberalism with another approach. Therefore, the construction of an alternative approach is left until the final chapter.

Although at one time Sweden could be argued to be close to the social-democratic ideal, housing and social policies since the economic problems of the 1990s have resulted in a more market-oriented system. Also, income inequality has increased substantially in Sweden, which was once one of the most equal countries in the world in this measure, but

is now becoming more unequal faster than any other country, although it has levels of inequality well below that of the neoliberal regimes described here (Clapham, 2017).

Argentina is an example of the Latin American housing regime type identified by Murray and Clapham (2015) and shares many policy phases with other countries in this region. In the first phase during the 1960s and early 1970s, housing policies in Argentina were fashioned to meet the demand of those in formal employment rather than the unemployed and those working in informal or casual jobs. This was despite the fact that the informal sector counted for more than 60 per cent of the population. The second phase during the 1990s involved the adoption of economic recommendations promoted by the World Bank and known as the Washington Consensus based on a neoliberal ideology. Broadly speaking this implied the reduction of the state, decentralisation, privatisation, opening of markets and deregulation. However, economic problems around the millennium led to attempts to boost housing production through direct state intervention, largely through financial mechanisms, in order to help to combat the economic recession. Despite having governments of the left for a substantial part of the last few decades, the Argentinian housing regime is largely neoliberal with a very high rate of owner-occupation and little direct public housing provision. Housing outcomes are highly stratified by income, and Argentina has a level of inequality equal to the USA. It also has a high level of GDP when compared to other South American countries. Nevertheless, the general economic situation and the residential market are both substantially different from the Anglo-Saxon countries and a European country such as Sweden.

China has been categorised as having a productivist welfare regime that deserves some discussion as it has not been introduced so far. It is suggested (Zhou and Ronald, 2017) that China had a socialist regime from 1949 to 1977 but made a gradual transition to a more neoliberal system up to 1997 based on decentralisation to work units which were marketised and liberalised and engaged in support for owner-occupation. Therefore, housing outcomes were stratified on the basis of an individual's occupation and the financial status and stability of the work unit. From 1998 and up to 2008 the regime could be classified as neoliberal, with the state not only reducing subsidies on low-profit housing, but also loosening its role in price setting. This left house prices subject to market processes, which, in the emerging economic landscape of the 2000s, took a primary role in financing, constructing and allocating homes. In this context, the rental sector withered, and owner-occupied house prices inflated rapidly, stimulating extreme housing stratification. Also, this market system created a high level of migration into the cities, which was difficult to deal with through the market. Therefore, in 2008 housing was announced to be a human right, and programmes of public sector house building were instituted. At first glance this may look like a move towards a social-democratic welfare regime, but differences between cities show that it is directed at the economy rather than social policy objectives and so has been called a productivist regime. In productivist welfare states, which are also advanced economies, economic objectives largely define social policies, with the application of social security as a means to target economically important interest groups. Priority in policy formulation is thus given to enhancing economic and social development, with state, family and market relationships aligned around these objectives. However, the measures needed may vary between countries and cities and regions as the needs of the economy may vary, and there are alternative ways of achieving economic aims. Therefore, commodification and stratification of housing may be high or low depending on the context.

Table 3.1 The six housing regimes

Country	Variety of capitalism	Welfare regime	Institutional structure	Housing outcomes
UK	Liberal/high GDP/ flexible/financialised/ unequal	Neoliberal	Market dominant	Unequal/good conditions
Sweden	Controlled/high GDP/inflexible/non-financialised/equal	Social-democratic	Corporatist	Equal/good conditions
China	Controlled/medium GDP/inflexible/non-financialised/equal	Productivist	Government dominant	Stratified/ improving conditions
USA	Liberal/flexible/high GDP/financialised/ unequal	Neoliberal	Market dominant	Highly unequal/ good conditions
Australia	Liberal/flexible/high GDP/financialised/ medium inequality	Neoliberal	Market dominant	Unequal/good conditions
Argentina	Controlled/ inflexible/low GDP/ low financialised/ highly unequal	Latin American	Market dominant	Highly unequal/ poor conditions

Table 3.1 gives a summary of the main factors identified for the six countries used to derive the case studies used in the book.

Conclusion

The previous chapter described the agency elements of policy-making in housing and, in particular, focused on the discursive approach with an emphasis on the language games, coalition-building strategies and power activities that shape policy outcomes. This chapter has put this into context by examining the structural factors that frame policy-making and which are reified into national housing regimes defined as 'the set of discourses and social, economic and political practices that influence the provision, allocation, consumption and housing outcomes in a given country'. The concept of a housing regime allows us to examine both the agency of different actors and the structural elements of housing policy.

This book uses examples from six different countries to explore housing policy, and this chapter discusses some of the opportunities and problems that this focus entails. The concept of housing regime has been introduced and described in the chapter to aid in the international focus and is used in the book to structure the contents of the following chapters. Every housing regime is unique, but following the welfare regimes approach and usual practice in housing studies, it has been possible to identify some key indicators that can be used to categorise and compare the housing regimes in different countries. This is used together with a periodisation based on the path dependence and varieties of residential capitalism approaches that focuses on changes over time. Housing regimes will be used as a

concept to aid contextualisation of the discussion of the impacts of housing policies in different countries. Particular housing policies may be successful in some housing regimes and not in others because of the important contextual factors involved.

The first three chapters have introduced the concepts that are used in the following chapters to examine different areas of housing policy, bearing in mind the regime differences that provide the context for the discussion.