



## **Comparative housing and welfare: Theorising the relationship**

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**Abstract.** Housing accounts for a high proportion of the capital investment component of welfare, and is the largest single item in household budgets. It also plays a major part in defining life styles and structuring the urban environment. It is argued that in the light of this, housing must cease to be treated as the poor relative of the four pillars of welfare and the vital role it plays must be recognised, especially in terms of synergy with other dimensions of welfare – notably pensions – that sets limits to the way welfare states are organised. Differences in how housing is organised between countries therefore need to be given much closer and more theoretically informed attention by welfare researchers than has been the case hitherto. In this article a first step is made toward this end.

**Key words:** housing, pensions, urban form, welfare regimes, welfare state, welfare theory

### **1. Introduction: The place of housing in welfare**

#### *1.1. Housing: a distinctive pillar of the welfare state*

Housing has been one of the four major pillars of the welfare state. It has always been recognised as comprising a key aspect of everyday life, closely associated with security and with health and well-being. For the first quarter of a century after the Second World War when, in most countries, welfare systems were being established and developed, providing sufficient housing of adequate standard was a high priority. The founding of post-war welfare systems took place in the context of acute housing shortages created by almost three decades of low rates of construction marked by a world depression sandwiched between two World Wars. The establishment of advanced and comprehensive systems of welfare therefore coincided with the need for a huge effort to house the population. For this reason, public expenditure on housing has been high during the expansion years of the welfare state.

The other three pillars of the welfare state have been social security, health and education. These four pillars have been very different in the nature of their organisation. All are universal in one sense or another. Yet they differ

from one another quite radically in terms of the way they are funded and organised.

1. *Social security* is primarily a redistributive savings scheme, or series of savings schemes – retirement pensions, unemployment benefits, sickness benefits, disability benefits, housing allowances, child allowances, student grants, social security benefits, and so on. They all have in common the fact that they redistribute income between different social groups: from the young to the old, from the old to the young, from the healthy to the sick, from the employed to the unemployed, etc. This means that the bulk of expenditure is in the form of transfer payments. The amount of capital investment is minimal and the amount needed for salaried staff to administer the system is modest.
2. *Education* is primarily a service in which the salaries of professionals (teachers, lecturers and support staff) comprise a major element. Capital investment has only played a modest part, at least once the early school-building programmes were completed.
3. *Health care* is similar in many ways to education in being salary-intensive to sustain a corps of doctors, nurses, other care-workers and support staff. But health has differed somewhat from education (at least until recently with the increase in educational computerisation) in being more capital-intensive as a result of the rapid changes in medical technology.
4. *Housing* differs from the three other pillars of the welfare state in being characterised by high capital intensity. The crash programmes implemented in most countries during the early post-war decades to expand the housing stock have demanded huge capital investments, much of which has been financed either directly out of taxation or heavily subsidised by means of low-interest loans. Cash transfers have also been important, both in terms of housing allowances and tax subsidies, but these are more sensibly seen as part of the social security system (just as in education, child allowances and student grants are or in health care, sickness and disability benefits).

The four pillars can be summarised as follows (Table 1).

### 1.2. *Housing as the wobbly pillar of the welfare state*

Housing also differs from the other three pillars in being rarely, if ever, considered as a universal form of *public* provision. While the other three pillars of benefit-based transfer payments, social security, education and health are often – though by no means always – provided by the state and paid for largely out of taxation, state provision of housing has hardly ever been so. Where housing has been directly provided by central or local government, it has almost always been provided for a minority (generally less than half) of

*Table 1.* Type and intensity (high, medium, low) of welfare pillar

Welfare pillar	Cash transfers	Salaries	Capital
Social security	high	low	low
Education	low	high	low
Health	low	high	medium
Housing	low	low	high

the population, and even then at a price charged to consumers that covers a much higher proportion of costs than is the case in education and healthcare.

At the same time, housing is considered as a universal right. Private housing, mainly in the form of owner-occupied housing, has commonly been subsidised by the state in various important ways. The ambiguous place of housing in the welfare state, and the wide variations in the kinds of housing – state and private – provided, together with the vulnerability of housing to public expenditure reductions, have led Torgersen (1987) to refer to housing as “the wobbly pillar under the welfare state”.

Perhaps the nearest equivalent to housing in terms of the balance between public and private provision is transport. Transport is also capital-intensive and, like housing, is seen as a universal necessity available to everyone. Also like housing, transport services are often provided through a mix of public and private ownership, the latter heavily subsidised. But unlike housing, transport has never had as high a priority as housing. Nonetheless, public expenditure on transport has required more intensive auxiliary services (particularly driving, co-ordinating and servicing vehicles) and so included a higher proportion of salaries than housing.

### 1.3. *The neglect of housing in comparative welfare research*

The ambiguous and widely varying role of housing in systems of welfare is perhaps one important reason why so many pioneering studies of comparative welfare have ignored or omitted housing from their consideration (see, for example, Wilensky, 1975 and Esping-Andersen, 1990).

Wilensky (1975, pp. 7–9) explicitly excludes housing from his analysis on the grounds that, while housing is an important dimension of the welfare state, there are formidable measurement problems. These, he argues, derive from a combination of the poor housing data available and the complex interplay of housing with other factors (such as monetary policies, rates of interest, road-building and public transport developments which create local booms in land rents, mortgage interest tax deductions and other indirect housing subsidies,

rent regulation, etc.). As Wilensky concludes “A bewildering array of fiscal, monetary, and other policies that affect housing directly and indirectly – even remotely – have made the task of comparative analysis of public spending in this area nearly impossible” (Wilensky, 1975, p. 7).

Both of Wilensky’s reasons for excluding housing are ultimately unconvincing. Concerning the poor quality of housing data, the preliminary data he presents in a footnote on housing and social security give a tantalising glimpse of what might have been possible had he persevered (see Schmidt, 1989, for a preliminary analysis along the lines abandoned by Wilensky). The argument of ‘complexity’ is half right, but for the wrong reasons. It applies, of course, to every dimension of social structure. There is nothing inherent in housing that makes it more complex than say, health or education. They, too, are affected by “a bewildering array of fiscal, monetary and other policies” that affect them “directly, indirectly, and remotely”.

All the same, Wilensky is groping after an important feature of housing that ultimately eludes him, even though he is dimly aware of it. It is that housing manifests a high degree of ‘embeddedness’ in social structure. Its very pervasiveness in terms of influence on life styles, urban form, welfare, and patterns of household consumption make it at the same time central to understanding welfare yet conceptually elusive. It is this embeddedness that makes housing qualitatively different from, say, health or educational institutions. This is made clear if we consider how education, for example, could be radically reorganised. For instance, large schools could be broken up into neighbourhood ones, or schools could be combined with universities. The impact on social structure would be far less than, say, reorganising housing so that a high proportion of the population lived in collectives, highrise flats, multiple occupancy or shanty towns.

The special position of housing within welfare obviously causes considerable problems of analysis. It is therefore not surprising that Wilensky shies away from tackling it. Nor is Wilensky alone among welfare researchers in so doing. Housing is strikingly absent from comparative welfare research. It tends either to be omitted entirely or included as one item in a catalogue of separately treated welfare areas (see, for example, Esping-Andersen, 1985, pp. 179–190).

Paradoxically the neglect of housing by comparative welfare researchers – and indeed by welfare research in general – indicates the importance of housing to welfare rather than its insignificance. Its lack of conceptualisation by housing researchers has deterred social welfare researchers from addressing housing centrally. And when housing welfare has been centrally addressed by researchers versed in both housing and general welfare

(Donnison and Ungerson, 1982), it has been treated as an autonomous welfare area with its relationship to welfare in general remaining unproblematised.

Yet the very fact that housing is such an unstable and varying key element in welfare states is what makes housing particularly interesting for welfare researchers to study. Given that social security, education and health are universally provided in many countries but that housing is not so provided in any, it may well be that housing is the key to understanding why welfare states differ from one another so much. Housing then becomes the joker in an otherwise predictable pack: change housing in important respects and the consequences of that change are likely to reverberate through the whole welfare system.

## 2. Toward theorising welfare and housing

### 2.1. *From unidimensional convergence theory to middle-range typology theories*

Early work on comparative welfare focused on the effort to explain the emergence of welfare states in the early post-war period. The main question was “what is the driving force that lies behind the development of modern welfare states and why have some countries developed faster than others?” The studies tried to locate the single crucial factor that drives development forward (the most popular competing theories being class conflict, economic development and demographic imperatives). The main focus of analysis was on quantifying degrees of development in terms of public expenditure. Countries were typically ranked in terms of their speed and extent of development. (For example, Wilensky and Lebeaux (1958) divided countries into “leaders” and “laggards”.) This was a period when convergence theory was in ascendancy. Equally important, theorising the epistemology of comparative research, although still today very weak (Oxley and Pickvance, this volume), then barely existed.

Kemeny and Lowe (1998) point out that housing research, like comparative welfare research, has also been in a convergence theory phase. (Donnison (1969) was an early example; Castells (1977) took a structuralist Marxist convergence perspective.) But as Kemeny and Lowe (1998) argue, it has been moving away from mono-theoretical convergence theory based on the search for a single overarching theory to explain all similarities and differences between housing systems. They say it is moving toward a “theories of the middle range” approach. In the latter, differences between countries are not reduced to the lowest common denominator in an attempt to build a convincing overarching theory, such as rising material standards,

demographic determinism or marketisation. Instead, diversity and divergence are emphasised. The explanation shifts away from disattending to differences between countries in order to emphasise their similarities and toward the development of theoretical perspectives aimed at systematically understanding differences.

In both welfare and housing research, this shift is most noticeable in terms of attempts to develop typologies. In welfare research, Esping-Andersen's (1990) typology, based on three archetypes, has been most influential and spawned several variation typologies (Bonoli, 1997; Castles and Mitchell, 1990; Kangas, 1994; Leibfried, 1991). Gender research has been a particularly fruitful area, largely critiquing the Esping-Andersen model and developing patriarchy-based alternatives based on gender as the key dimension (Langan and Ostner, 1991; Lewis, 1992; O'Connor, 1993).

In housing research, there has been a similar shift to exploring typologies (Barlow and Duncan, 1994; Balchin, 1996; Dickens et al., 1985; Kemeny, 1995a; Lowe, 1994; Skifter Andersen and Munk, 1994). However, most work is not directly influenced by Esping-Andersen's typology based on his welfare regimes theory (a notable exception being Barlow and Duncan, 1994).

However, the important point to note that what is needed in both welfare and housing research is not a proliferation of typologies. There is a need for typologies that are derived from theories of power that explain why one type of welfare or housing system is developed by one group of countries whereas another type is developed by other countries. The critical task is therefore not to *describe* typologies but to *explain* them. The problem in both comparative housing and welfare research has been that researchers have been overabsorbed in detecting and describing typologies and have tended to neglect the development of theories to explain them. This has been an important reason why housing has remained unintegrated into welfare theory.

## 2.2. *Epistemic drift toward 'conceptual decomposition': From the theorised concept of welfare regime to descriptive typologies*

There has been a distinct loss of theoretical content in typology analysis. It is particularly noticeable that Esping-Andersen's typology has commonly been adopted or adapted without addressing the theoretical basis of the schema. The 'three worlds' typology of welfare capitalism is not merely induced from the data that was collected and that provided the empirical basis for the typology. The typology is based on and derived from a class theory of power and the construction of inter-class alliances (for a fuller discussion, see Kemeny, 1995b). Esping-Andersen's use of the concept of 'welfare regimes' is deliberate. He argues that different regimes derive from different power structures and constellations of class-derived power relationships. The

three *regimes* are *social democratic*, *corporatist* and *liberal*. These, in turn, generate welfare *systems* that can be called *decommodified*, *conservative* and *residual*, respectively.

This distinction between a *welfare regime* and a *welfare system* in Esping-Andersen is critical. The system is the dependent variable, an outcome that can be described, whereas the welfare regime is the independent variable – the constellation of power relationships that produce a distinctive welfare system.

Esping-Andersen is very clear about the importance of class and class alliances in determining the nature of welfare provision. Social democratic welfare regimes are successfully constructed by working-class movements creating alliances, with other groups and classes, while keeping conservative forces isolated, sidelined and divided, and thereby establishing hegemony. The corporatist welfare regime is effectively a deadlocked power system in which no one interest can dominate and in which as a result each party wrests its own welfare sub-system from corporatist political horse-trading. The liberal regime emerges in a system dominated by conservative forces and facing a divided working class. It is the reverse of the social democratic regime because working-class movements are kept split and isolated while the conservative forces hold the middle as well as the right-wing ground. The type of welfare system that results from these welfare regimes is therefore distinctive. It reflects the different degrees of de-commodification that are the outcome of different balances of power between classes.

A careful reading of Esping-Andersen shows, therefore, that the concept of *welfare regime* is distinct from the typology of welfare systems that derive from the regimes he identified. However, this distinction has become elided in the literature. It has become common to carelessly and misleadingly refer to different types of welfare systems as ‘welfare regimes’, thereby losing the critically important theoretical and explanatory dimension of the schema. As a result, the theoretical dimension of Esping-Andersen’s work has been overshadowed by a discussion of types of welfare system and how types may be added to the ‘three worlds’ typology or how the typology may be restructured into a variant typology, often by simply tacking on an additional ‘type’. As a result there is a proliferation of types, including gender contracts, South European, Islamic, Confucian, Southeast Asian, etc., all referred to as new and important types or typologies of *welfare regimes*. Crucially and frustratingly, this has been done without any reference to what different class or other power relationships explain the emergence of such additional types. What the proponents of these types are really referring to are not *welfare regimes* based on a theory of power but rather descriptions of *welfare systems*. The theory of power that explains the different systems remains unproblematised, at best marginalised, but more often just ignored.

There are some attempts to retain a theoretical dimension. The most important has been the gender assault on Esping-Andersen's schema mentioned above. It powerfully critiques Esping-Andersen's gender-blind concept of commodification that underpins his class analysis. Yet the alternative gendered types of welfare system (single-breadwinner, dual breadwinner etc.) that are generated are, in their turn, under-theorised in terms of the gendered power mechanisms generating and sustaining such differences and the focus is on descriptive typologies. Another partial exception is found in Castles and Mitchell (1990), who argue that there is a fourth, Australian/New Zealand, 'type'. It represents a weak welfare state but a high wage economy influenced by a strong working class that has adopted a private wage rather than a social wage strategy. The value of the new type is to show how working-class mobilisation can serve other ends than developing the social wage.

But these are both partial exceptions. In general, the distinction Esping-Andersen made between welfare regimes as relationships of power and the welfare systems that such relations of power result in has been devalorised and lost. The two have become conflated. The concept of welfare regime has become widely used as a label for the types of welfare systems rather than for the different power constellations (read 'welfare regimes') that generate such welfare systems.

In a previous study (Kemeny, 1992a), I argued that the field of housing studies has suffered from atheoreticity, deriving from its grounding in multidisciplinary – or more accurately 'non-disciplinary' – types of analysis. As a result it tends to be unanchored in theories from the disciplines. This, in turn, results in what I termed an *epistemic drift* away from theory and down to the lowest common non-disciplinary denominator of social analysis. The conceptual content of any theoretically anchored work tends to decay as subsequent commentators and analysts play up the empirical outcomes and neglect the theoretical explanations for these outcomes. The result is *conceptual decomposition*. The concepts degenerate from a theoretically grounded and dynamic explanation into a static and sterile descriptive category.

The process in housing research can be described as follows. Theories are developed, typically by prominent sociologists and political scientists who enter housing research for a limited period, introducing conceptualisation that provides new insights. Rex and Moore's concept of 'housing classes', Castells' (1977) Marxist structuralism and Saunders' (1990) dual politics approach are the best known examples of this. It is hard to overestimate the contributions of these and other social scientists, such as the political scientist Dunleavy, to the development of housing research. But what housing researchers have made of these contributions is disappointing. The



new insights are taken up by housing researchers. Yet no significant theoretical work is done to develop them or even to apply and test them. The concepts eventually lose their theoretical anchorage and degenerate into descriptive categories or labels. There is a frustratingly predictable process of 'de-theorisation' as non-disciplinary housing discourse re-establishes hegemony over the debates.

The epistemic drift of the concept of welfare regime away from a theoretically anchored concept to a descriptive typology is an almost classic example of this process. This time, it is not in housing research but in welfare research, which is, like housing, a field of study that is not located or anchored within one discipline. The epistemic drift from welfare regime to welfare type has been most unfortunate and threatens to put typology analysis into disrepute. Such conceptual trivialisation makes it possible for critics to dismiss, with considerable justification, the proliferation of descriptive typologies that are not anchored in theoretical explanations as mindless classification and therefore of only limited interest. What is needed instead is more work on typologies, work that anchors these in different welfare regimes.

### *2.3. From 'typologies' to 'cultures' of housing and welfare*

In my own attempt to understand major structural differences between housing systems in terms of a two-type distinction between dualist and unitary rental systems, Esping-Andersen's theory of welfare regimes provided a useful starting point. I noted (Kemeny, 1992a, 1995b) that the difference between the two types placed the residualist type of welfare system deriving from the liberal regime on one side and the other two – corporatist and decommodified welfare systems deriving from the conservative and social democratic regimes respectively – on the other. I also noted that corporatist power structures were common to all countries with unitary rental markets, including Sweden. Yet Sweden is widely identified by political scientists as one of the most unambiguously corporatist countries in Europe. There is wide agreement among corporatist theorists that Scandinavian countries have among the most clearly corporatist power structures in the world. Lijphart and Crepaz (1991), in a meta-analysis of the work of 12 leading scholars of corporatism, ranked 18 industrialised countries in terms of the degree of agreement over which countries were defined as corporatist. The four Scandinavian countries – Norway, Sweden, Denmark and Finland – are ranked on this scale second, third, fifth and eighth respectively. By contrast, the three major European countries classified as corporatist by Esping-Andersen – Germany, France and Italy – are ranked seventh, twelfth and thirteenth, respectively (Lijphart and Crepaz, 1991, Figure 1).

This put the very basis of Esping-Andersen's 'three types' model in a theory of class power into question. The social democratic regime was represented by a small number of Scandinavian countries. So to remove Sweden – the prime exemplar of the decommodified welfare system – from this type of welfare system, as the Lijphart and Crepaz (1991) meta-analysis clearly suggests, and instead locate it in the corporatist system, would threaten to unbalance the entire typology. It therefore raised the question of whether the social democratic regime was just a variant of the corporatist regime. Perhaps some corporatist regimes were dominated by labour while others were dominated by capital or other interests? Perhaps, as suggested in Kemeny (1992b), it would therefore be more fruitful to distinguish between 'labour-led corporatism' as in Sweden and 'capital-led corporatism' in other corporatist countries?

### **3. Making links between housing and welfare: Housing as the hidden foundation of welfare**

The critical importance of housing is best illustrated by looking at some of the effects of housing on other welfare sectors.

#### *3.1. Tenure life-course housing costs*

Housing is the most expensive item in the household budget, accounting for up to half and occasionally more of household income. And because housing is both necessary and plays a central part in determining life quality, how housing is paid for determines how much of the total household income is allocated to other forms of expenditure. But how housing is paid for varies greatly between different forms of tenure.

Renting spreads the costs of housing as a percentage of average income out over the life course, whereas owner occupation concentrates them in the early stages of the life course. The need to save for a deposit and then the high cost of mortgage repayments during the first decade or so of ownership severely limits the ability of households to prioritise expenditures on non-housing items. By the same token, the costs of housing in the later phases of the life course – middle age through retirement – are greatly reduced by the inflationary eroding of the value of the outstanding debt that needs to be serviced. Once the housing is debt-free, costs can be further reduced to near zero by not investing to maintain the value of the property in terms of modern facilities and even further by neglecting essential maintenance and repairs so that the dwelling actually deteriorates.

Owner occupation therefore redistributes household income from the young to the old. Some of this may be redistributed back to the young of the next generation through inheritance, but this cannot be depended on to happen at the time the next generation may actually need it. Delayed child-birth together with increasing life expectancy rates are triggering inheritance far too late for first-time buyers – often when the next generation is in middle age or older.

All this has a major effect on the provision of welfare. In most countries the welfare state was built up at a time when the great majority of households were renting. Distorted life-course housing costs did not figure as an important factor in determining how the welfare state was constructed. But as the home ownership rate has risen over the post-war period – at least in a number of countries – the skewing effects of piling housing costs up at the start of the life course in order to greatly reduce them in old age has had corrosive effect on universal welfare provision.

This is best illustrated with two examples: health insurance and retirement pensions. Health insurance represents a means of redistributing the costs of health care from the old, the sick and from households with young children to the childfree and the healthy, which includes a high proportion of early life course households. In owner occupation, high housing costs tend to occur at the early stage of the family cycle when health tends to be good and before the childbearing stage. Because of the pressure on household budgets first to save for a deposit and then to finance high mortgage repayments, there will be low resistance to voluntary contribution health insurance among younger households. By the same token, there will be less pressure on politicians to introduce high retirement pensions because the living costs of the elderly – in a society where owner occupation is widespread, or even the norm – can be subsidised by low housing costs resulting both from zero mortgage debt and the running down and neglect of maintenance (see Kemeny, 1981, pp. 55–62, 1977, and 1992a).

A clarification of what this implies is necessary at this point. The argument is not that households necessarily believe that the welfare state is undesirable, or less necessary, as for example Saunders (1990) assumes. Saunders argues against my thesis that owner occupation undermines support for the welfare state by citing attitudinal data from surveys carried out in one country only (Britain) to show that owner-occupiers do not hold anti-welfare state attitudes. However, the effect is more indirect, in that it facilitates political decisions to be made which involve reducing state welfare commitments without encountering strong public opposition. There is no direct and simple correlation between survey attitudes and policy outcomes. Rather, the latter are mediated by hegemony and its social construction. This is why, for example, politi-

cians in Australia have been able to successfully argue against large pension increases. They have been able to resist political demands for higher pensions made on the grounds that tenants live below the poverty line. They do so by arguing that the majority of Australians are owner-occupiers, and that households who choose not to buy must accept moral responsibility for their situation and put up with the resultant high housing costs in old age, rather than be bailed out by the state (for evidence, see Kemeny, 1977, p. 51).

To my knowledge, the only work that to take the hypothesis that there is a relationship between high owner occupation rates and low levels of welfare provision seriously since it was first published over 20 years ago is that by Castles and Ferrera (1996). Their research lends support to the thesis that home ownership and pensions are, as they put it, “the really big trade-off”:

private expenditure on home ownership and public expenditure on aged pensions represent alternative and, to some extent, mutually exclusive mechanisms of life-time savings for old age (Castles and Ferrera, 1996, p. 163).

Castles and Ferrera use statistical data from 21 OECD countries to support this conclusion. They show that 15 of these countries divide into two blocks. Australia, Canada, Finland, Ireland, New Zealand, Norway, Spain and the USA have high home ownership rates and low protection expenditure for the aged. The opposite profile – low home ownership rates and high protection expenditure for the aged – is found in the remaining seven countries: Austria, Belgium, Denmark, Germany, Luxembourg, the Netherlands and Sweden.

Synergic effects between housing and welfare remain an almost entirely neglected dimension of both comparative welfare and comparative housing research. The indication of an inverse relationship between owner occupation rate and pension provision needs to be both followed up and widened to include other housing-welfare relationships. Another obvious housing-welfare relationship concerns the impact of dwelling type on welfare, and especially on urban planning.

### 3.2. *Dwelling type*

Differences between the spatial organisation of modern urbanised societies in terms of the proportion of detached houses as against apartments are quite dramatic, especially between North America/Australasia and continental Europe. Seventy percent of dwellings in Greater Stockholm comprise apartments, compared to only 22 percent in Greater Sydney (Kemeny, 1981, Table 4.1, p. 44). The overwhelming majority of dwellings in Australian cities are houses – and, moreover, detached houses, mostly bungalows on quarter-acre plots while the overwhelming majority of dwellings in Swedish cities

are apartments. Britain falls squarely between these two extremes, with 45 percent of Greater London comprising apartments. In addition, the overwhelming majority of London houses are terraced or semi-detached, not, as in Sydney or Stockholm, detached. The contrast in city housing is clear.

The difference this makes to the socio-spatial organisation of the cities of these countries is profound, yet almost unresearched. The differences, in terms of the balance between public and private space in urban areas (e.g. parks and gardens), dominant modes of transport (private car versus collective transport) and the balance between domestic and wage-labour female roles (with domestic roles more widespread in societies where detached housing is more common and where state child care is less developed) are far-reaching in their implications. They suggest that the single difference between societies in the predominance of one dwelling type over another is an important index of the social organisation of everyday life and perhaps of the provision of welfare. This fact alone could possibly constitute the basis for understanding some important differences between industrial societies.

This is a neglected research issue, so its empirical underpinnings are weak. Data on differences between cities with a different spatial form are rare. One of the few comparative empirical studies I was able to find was that by Szalai (1973), an international survey of the uses of time. From this I was able to isolate two cities with very different spatial structures. One is Osnabrück in Germany, with a population of 138 000, where 68.2 percent of the dwellings were flats. The other is Jackson, USA, with a population of only 72 000, where 82.9 percent of the dwellings were one- or two-family houses. In Osnabrück, 96.2 percent of the dwellings were within five kilometres of the city centre, compared to only 48 percent in Jackson, with little more than half Osnabrück's population. Further, whereas only 16 percent of Osnabrückers drove to work, fully 63 percent of Jacksonians did (Kemeny, 1981, p. 50).

Studies of comparative urban form are also rare. Popenoe (1977) compared a US and a Swedish suburb – Levittown outside Philadelphia and Vällingby outside Stockholm. He contrasted the high-density Swedish suburb with the low-density and car-dominated US suburb. This detailed and careful study brings out clearly the impact of urban form on life styles, particularly in respect to the role of women. More recently, Popenoe and Michelson (2001, forthcoming) have taken this approach further.

### 3.3. *Varieties of housing system*

The extent to which housing is a pillar of the welfare state depends to a considerable extent on how housing provision is organised. It has become increasingly apparent since the early 1990s that the role of the state in housing provision varies between countries not just quantitatively but, more

importantly, also qualitatively. It is not just a matter of how much state involvement there is but what form it takes. Power (1993) pointed to what is now recognised as an obvious difference between continental Europe and the English-speaking countries: that direct public ownership of rental housing is the norm in the English-speaking countries but that private non-profit rental housing is the norm in Europe. There are also very substantial differences in rates of owner occupation between the small group of OECD countries. Furthermore, there are major differences in the way the housing system is organised. In particular, some countries encourage competition between profit and non-profit renting, while others discourage it.

Two contrasting underlying philosophies have developed in the state's role in the provision of housing in modern welfare states, though undoubtedly there are more (for further discussion, see Kemeny, 1995a). In one philosophy, the state takes upon itself the direct responsibility of providing rental housing for households in need. To this end, non-profit rental housing is organised in the form of a state or local government monopoly. As far as possible, the non-profit sector is prevented from competing with private profit-seeking housing companies by hiving it off from the market into a command-economy public rental housing sector. Access is in terms of 'need' – the definition of which varies over time and also between countries. Thus the command rental sector varies considerably – from five percent or less, for example in the USA and Australia, to over 20 percent Britain. The result is a 'dualist rental system' in which two distinct rental tenures are created, a 'public' command-economy sector and a 'private', and largely unregulated, rental market. English-speaking countries exemplify this philosophy, as do most Mediterranean countries and some of the Scandinavian countries (Norway, Finland and Iceland).

In the other philosophy, the state is either not a major provider itself or, if it is, access to such housing – often provided on a 'not-for-profit' basis – is not limited to households in need. Instead it is encouraged to compete with profit-rental housing on the open market for tenants and thereby set standards, ensure that all households have security of tenure and competitively hold rents down. The result is that the legal distinction between profit and non-profit is minimised and a 'unitary rental market' is encouraged to emerge. The German social market philosophy underlies this approach. But again, like the 'public housing only for those in need' philosophy, wide variations are found in the extent of the competition and the degree of non-profit influence. Thus, in the Netherlands, non-profit housing associations dominate the rental market and provide around 60 percent of the country's total housing stock. In Germany and Switzerland, by contrast, non-profit rental housing comprises only a minority of the rental stock. Somewhere in between these

Table 2. Housing tenures in selected countries (%)

1. Command economy 'needs-based' public rental housing provision (dualist rental system)			
Country	Owner occupation	Private rental	Public rental
England	66	7	27
Ireland	78	9	14
USA	70	25	5
2. Non (or limited) profit housing competing on the rental market (unitary rental market)			
Country	Owner occupation	Private profit rental	Non (or limited) profit rental
Germany	37	38	25
Denmark*	52	25	18
Sweden*	40	20	23

\*For Sweden, add 17 percent tenant/ownership (*bostadsrätt*), for Denmark add five percent private share housing (*andelsboliger*). German data pertains to pre-unity GFR.

extremes are other countries such as Denmark and Sweden, where profit and non-profit rental landlords are more equally balanced. Differences within and between these two systems are shown in Table 2. However, it should be noted that there are some signs that the distinction between these two is becoming increasingly blurred. Marketisation does not just mean 'owner occupation'. It also involves – or can involve – unleashing non-profit renting to compete with profit renting (see Kleinman, 1993; Smith and Oxley, 1997; Malpass, 1999).

It might be noted that countries with command public rental sectors tend to have a higher proportion of owner occupation than countries with integrated unitary rental markets because the alternatives to owner occupation are effectively structured out of choices. If open access to public renting is denied as a realistic alternative to middle-income households, while the profit-dominated rental market only offers housing at high rents and with insecurity of tenure, the only alternative remaining will be owner occupation. It is therefore unsurprising that countries with dualist rental sectors have high rates of owner occupation.

In this context, it is worth noting that in the Castles and Ferrera (1996) study of "the really big trade-off" between owner occupation and pensions, six of the seven countries with low rates of owner occupation and high pension cover have an integrated rental market (Belgium being the excep-

tion). All eight countries with high owner occupation rates and low pensions have dualist rental systems. Of these, five are English-speaking countries.

#### 4. Conclusions

The most important change needed to integrate housing into welfare research is a self-conscious and explicit anchoring of analysis in a theoretical framework. Without such an explicated theoretical basis, explanations become amoebic descriptions (at best based on theories which become subject to an epistemic drift to empiricism) that are incapable of being subjected to empirical testing. In addition, a change in focus is required. Housing researchers need to begin to shift the focus of their work from housing as a self-contained and isolated 'pillar of welfare' to (1) the relationship between housing and the welfare state in general, (2) the relationship between housing and the other three pillars of welfare, and (3) the relationship of housing to other areas of welfare, such as transport, planning, labour policy and child care.

The isolation of housing research both from theory and from wider issues of welfare has to end, to the benefit of both housing and welfare research. It is time housing began to take its rightful place at the centre of welfare research. It must surely be one of the main tasks of housing researchers to see that this is achieved.

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