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## The Demise of the Welfare Regimes Approach? A Response to Stephens

Mark Stephens' paper is a very valuable assessment of the welfare regimes approach which has been widely applied in housing studies to the analysis of different housing regimes and their impact on housing systems. One of the valuable contributions of the paper is that it outlines in some detail the ideas of Jim Kemeny who was the major architect of the approach in housing. The paper describes the evolution in Kemeny's thought as well as some of the contradictions that have become apparent. It is clear that the collective understanding of the approach in housing studies varies considerably from Kemeny's original ideas and so the journey back to the original starting point is a useful corrective that may stimulate renewed questioning of the strengths and weaknesses of the approach and highlight ways in which it can be revised and strengthened.

I would like to comment on what I see as the two major contentions in Stephens' paper. The first is that Kemeny's predictions of the evolution of the housing regimes have not been confirmed and that housing regimes in many countries have developed in very different ways from the directions that Kemeny foresaw. The second and related contention is that, despite the failures of prediction, the welfare regimes approach is an appropriate framework for comparative analysis of housing systems and policy. Whereas I agree with the first contention, I argue that the failures are systemic and point to the weaknesses of the regime approach. Therefore, I argue that profound development of the approach is needed if it is to be a useful analytical tool in housing studies.

I have always been sceptical of the ability of the housing regime approach to identify the factors that drive change in housing systems over time. I am not alone in this, of course, and the same point has been made both by advocates of the path dependence approach (such as Bo Bengtsson) and by those who have placed an emphasis on the importance of financialisation (such as Aalbers). In his paper, Stephens identifies two loci of change in the housing regimes model, one external and one internal. The external driver in the welfare state approach articulated by Esping-Andersen is the balance of power between workers and capitalists and the resultant ideologies that frame policy in the welfare field and are filtered through institutional structures to shape housing systems and outcomes. Stephens argues, correctly in my view, that Kemeny tended to downplay this external driver in his work and focused more closely on the internal drivers of institutional structures that he assumed had their own dynamic. This explains Kemeny's view of the dominance of public rental housing and the importance of the maturation of the sector in shaping housing systems. As Stephens points out, this maturation posed choices for political actors and they often used their agency to support owner-occupation and to downgrade the public rented sector by privatising surpluses rather than using them to subsidise new rental housing. These actions led to a confounding of Kemeny's predictions of the continuance of unitary rental systems and the dominance of public rented housing in shaping housing regimes. In my view this predictive failure shows the lack of a realistic and developed theory of agency and power in the welfare regimes approach, as well as its relatively narrow focus in terms of the factors considered in any analysis. Stephens notes that the relationship between the cost and for-profit rental sectors highlighted by Kemeny is no longer the key dynamic in the Swedish housing system, and in this crucial sense the theory has lost its explanatory power. But later Stephens says that the unitary rental markets decayed from within, although he accepts that the internal drivers he outlines reflect wider changes in the welfare regime

towards neo-liberalism. Stephen's statement that policy choice and institutional differences counterbalance forces of convergence ignores the possibility that they may reinforce such drivers. For example, he stresses the importance of neo-liberal discourse in Germany at the local level which hindered the emergence of the unitary model through the disposal of public rental stock and which later reinforced the general neo-liberal direction of policy. Surely, the conclusion to be drawn from this analysis is that the institutional drivers highlighted in Kemeny's welfare regimes approach are reflective of the wider drivers of political power such as those embodied in the discourse of neo-liberalism.

Kemeny tended to dismiss analyses that emphasised the more political and general drivers of change as 'convergence' theories that he contrasted with his 'divergence' approach. It is important here to understand what Kemeny meant by his categories. I had a number of personal conversations with Jim Kemeny about this and I initially misunderstood his use of these labels. I thought that divergence meant that individual countries were moving apart in their trajectories, but he clarified that what he meant was that differences in institutions and outcomes would be sustained over time even though they would not necessarily get any more different. By his category of convergence, he meant that countries would move in the same direction, although this did not mean that they would necessarily get closer together because of the individual institutional forces. I was always unhappy with this categorisation and of Kemeny's labelling of my approach as convergence, as Stephens does in his paper of my recent writings in this field (Clapham, 2019). Stephens argues that simple convergence theories are inadequate because convergent forces are mediated through distinct (and path dependent) institutional structures and are subject to the continued role of policy choice. He argues that, whilst this may point to "soft" convergence, it is not clear – empirically – that housing systems are actually converging at all. But as we have seen above, Kemeny's meaning of convergence could mean that housing systems were moving in the same general direction and Stephen's analyses of the UK, Sweden and Germany are empirical examples of this as he effectively demonstrates.

Stephens shows that the different categories of housing regime identified by Kemeny no longer exist and that the countries he studied that could be argued to be in different regime categories are moving in the same general direction. I have always been uneasy with the categorisation approach on the grounds that it hid large differences between countries placed in the same category and similarities with those categorised elsewhere. But the importance of the wider drivers of change and the general direction of change make these categories increasingly redundant. Also, the categorisation can only be sustained because of the differences in the focus of the analyses involved. Thus, those approaches classified as divergent have usually focused on internal drivers (as Kemeny's welfare regime approach largely did: see his discussion of unitary rental systems above) and those classified as convergent have usually focused on drivers external to the housing system (such as financialisation or neo-liberalism). So, the categorisation is one of scale of analysis and of the assumptions about the location of the important drivers rather than anything meaningful about the countries categorised in different regimes. In my view this undermines the value of the regimes approach.

Stephens' conclusion on the relevance of the welfare regimes approach is worth examining in more detail because it does begin to recognise these points. He argues that

understanding system change requires theories of the middle range (in which he includes the welfare regime approach) to be extended upwards to capture high-level forces of convergence and downwards to capture institutional detail that explains difference. I would wholeheartedly agree with this conclusion. My approach is outlined in my book *Remaking Housing Policy: An International Study* (Clapham, 2019). The approach taken in the book is that the elements highlighted by Stephens can be effectively combined with others to create a more holistic approach that recognises diverse drivers of change and a number of different scales of analysis. My approach takes elements from a spectrum of theories including welfare regimes, path dependence and financialisation, without being based in one or another. This holistic analysis allows gaps in Stephens' analysis to be plugged. For example, he discusses poverty rates and labour market change but not income and wealth inequality. It also includes general economic factors (such as the Global Financial Crisis) that Stephens considers to be exogenous, but treats them as a consequence of the application of the same discourse of neo-liberalism that has shaped housing regimes. Stephens argues that neoliberalism is too loose a shirt to provide a convincing explanation of housing regimes, but so is any factor taken individually. A holistic analysis enables the interactions between different factors and levels of analysis to be understood.

In summary, Mark Stephens has done a magnificent job in detailing the origins of the welfare regimes approach to housing analysis and to chart a way forward that I for one agree with in principle, even if we may disagree on the details of a new approach. The paper is a very stimulating read and will be of value to all researchers interested in comparative housing research.

Also, the paper highlights the outstanding contribution made by Jim Kemeny to housing research which is timely given his death this year. I have very dear memories of the support and intellectual stimulation that Jim gave to me and his work deserves to be given the attention that this paper offers. All of housing studies will miss him personally and the contribution he makes to theory in housing research.

## References

Clapham D. (2019) *Remaking Housing Policy: An International Study*. Abingdon: Routledge