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# Comparative housing research

Mark Stephens and Rod Hick

## Abstract

This chapter seeks to provide an overview of developments in comparative housing research. It begins with the first attempts to create frameworks through which to interpret housing systems, and which identified economic development as being the principal driver of change. It then examines critically the housing/ welfare regime frameworks that have come to dominate theoretical comparative research. The challenges faced when comparing housing outcomes are then examined before the state of the art is summarised and challenges for the future are identified.

**Keywords:** comparative methods, welfare regime, housing regime, housing outcomes, policy transfer

## Introduction

All empirical research, in one way or another, depends on comparisons. *Comparative research* or *comparative analysis* have come, however, to refer to a specific branch of study where the comparison of systems or policies and/or their outcomes across different units of analysis is made the explicit focus of empirical research. These units of analysis take different forms. ‘Comparative housing research’ is often taken to mean the comparison of national housing policies or systems (e.g. Harloe and Martens, 1983; Kemeny and Lowe, 1998; Stephens, 2011), but it could just as easily be cities, or estates, or tenures, or time periods. Comparative analyses range from what are sometimes called small-N analyses of, say, two countries to large-N comparisons of, for instance, all of the nations of the European Union, or the OECD, or the world.

Defining comparative research and delimiting its boundaries can be surprisingly challenging. On the one hand, the analysis of two or more units of analysis is argued by Ragin (1987: 4) not to be a *necessary* condition of comparative studies. Ragin cites Alexis de Tocqueville’s *Democracy in America* as evidence of this, where the in-depth examination of one case (i.e. the USA) was used to make implicit comparisons with experiences in another (namely, France). Implicit comparisons such as this seem to us more akin to counterfactuals, expectations, or perhaps normative benchmarks which, while providing reference points against which observations and experiences are understood, nonetheless are not examples of comparative analysis. On the other, it is sometimes claimed that the analysis of two or more units is not a *sufficient* condition either: Pickvance (1986: 164) argues that analysis that examines multiple units but which only ‘goes as far as identifying their similarities and differences’ does not warrant the term comparative analysis as it does not seek to impose a common explanatory model – an account of *why* these similarities and differences are observed. This seems to mistake a common, and perhaps desirable, feature of comparative studies as being a defining and necessary characteristic.

For our purposes, comparative analysis involves examination of two or more units of analysis that are of substantive interest and are typically dissimilar in some way. This form of analysis includes an attempt, using a common analytic framework, to make comparisons between these units, with such comparisons varying in the degree to which they are systematic. In addition, a central purpose of comparative studies is typically not only to understand the variation in provision that exists across units of analysis, but also to examine what explains this variation.

What questions can comparative analysis help us address and why is it useful? Three advantages of comparative analysis are worth mentioning. First, comparative analysis examines actually-existing variation in policies, institutions and outcomes. The existence of a particular policy refutes claims of its impossibility and thus by examining this variation we can better appreciate feasible policy choices and possible reforms. Analysing variation is thus the first and most basic task of comparative analysis: asking, for example, how do housing systems vary across countries?

Second, comparing policies and outcomes can allow us to draw normative comparisons between, say, cities, tenures or countries, through an act of benchmarking. In this sense, comparative research ‘broadens the researcher’s horizons and brings new experiences against which the existing, own country, experiences can be compared and contrasted’ (Doling, 1997: 23) – both descriptively, but also normatively.

Third, comparative analysis can also be used to test and develop empirically-grounded theory, and the analysis of actual empirical differences can provide an important counterpoint to accounts that are solely reliant on theory or received wisdom. The comparative approach can contribute towards the aim of adding theoretical depth in housing studies. Indeed, Doling (1997: 24) goes as far as suggesting that ‘it is explanation rather than observation which lies at the heart of comparative study’. Comparative housing research, then, can make contributions in three primary areas – in understanding differences in provision across cities or countries, in benchmarking performance, and in testing theories.

Following the dominant form of comparative housing research - that is, the comparison of national housing systems – the aims of this chapter are to shed light on what we mean by comparative housing research; the forms it can take, and the questions it can answer. Our hope is that the reader is given a clear sense of developments in the comparative approach and some of the challenges that must be navigated in order for it to be successfully applied. The structure of this chapter is as follows. In the next section, we provide an outline of the development of comparative research in housing studies. The third section presents some of the primary frameworks used in comparative housing research for understanding differences and change. In the penultimate section, we consider some of the competing ways that housing outcomes might be understood, while in the final section we seek to sum up where the comparative literature on housing studies has got to and suggest some challenges for the field in the years ahead.

### **The evolution of comparative housing research**

Perhaps the most powerful motivation for conducting comparative research is the hope that it might reveal better ways of doing things – what Richard Rose (1991) called ‘lesson drawing’ or what we have labelled ‘benchmarking’, above. Such lesson drawing also can be related, in more practical terms, to ‘policy transfer’ (Dolowitz and Marsh, 2000). We can find examples of British politicians and architects becoming interested in housing in other countries in the inter-war period when council housing was first developed at scale. The interest was usually architectural, as was the case with the delegation of councillors and chief architect from Leeds who visited Vienna in the 1930s as they prepared for what became the city centre Quarry Hill flats. Building at density in city centre locations marked a break from the English tradition of suburban ‘cottage’ estates and was intended to address the tension between land costs and affordability (Finnigan, 1984).

Such an interest in policy ideas, usually with an eye to policy transfer, remains a key motivation for comparative research, particularly that sponsored by governments or international agencies with an interest in housing. The OECD has in recent years put much effort into developing the ‘OECD

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Affordable Housing database' and has developed policy briefings that suggest that housing systems work – or could work – in similar ways and therefore can be subjected to similar policy solutions. A recent example of this approach (OECD, 2021) assumes a common set of policy priorities which can be achieved by similar approaches, predominantly informed by a rather naïve (or 'monochrome' Stephens, 2020a) economics perspective. The emphasis on deregulation (of planning, building, etc) and the removal of barriers to mobility is reminiscent of the World Bank's (1993) *Housing: Enabling Markets to Work*, which provided the basis of much policy advice in the former socialist economies of central and eastern Europe (and hence dubbed 'Housing's *End of History*'; Stephens et al, 2015). A great deal of emphasis was placed on the creation of mortgage finance systems in these transitioning economies, even though it transpired that there was relatively little demand for them (ibid.). Nonetheless, the scope for subsidised affordable housing in the OECD report also reflects a shift away from the more free-market approach exhibited in the earlier World Bank report (and associated with the 'Washington Consensus').

For academics, the approaches usually adopted by international agencies have long since been regarded as inadequate. Harloe and Martens (1983: 256) complained that 'a commonly found fault is that much of this work has been too superficial or too diffuse to make an impact.' They further criticised the perceived lack of attention to 'the considerable differences in the economic and political context' (ibid: 257) between different countries. Fifteen years later, Kemeny and Lowe (1998) in their essay on comparative housing research, wrote of the work of international agencies,

'It is assumed that the countries compared have some underlying similarities that enable fruitful comparison to be made. This may often take the form of an unexplicated ethnocentrism, whether this is anglocentrism, eurocentrism or some other kind of centrism.' (Kemeny and Lowe, 1998: 164)

The quality of reports published by international agencies has generally improved since then, in the sense that more rigorous attempts are made at standardisation of measurement, and some lessons have been learned from policy disasters such as the sub-prime crisis and subsequent Global Financial Crisis, so, in the case of the OECD report, the role of housing in macro-economic (in)stability, and the need for prudential regulation, is recognised. Crucially, some of the distinctive features of housing (notably its spatial fixity, its dual but increasingly linked role as a consumption good and an asset, and its link to the macro-economy via financial markets) are now also widely recognised. New and unresolved challenges have emerged, such as the impact on housing markets of Quantitative Easing, an unorthodox monetary policy widely adopted by central banks in response to the GFC and Covid-19 pandemic. There also remains an underlying naivety arising from the emphasis on largely uncontextualized economics over political economy. These contextual factors matter for a number of reasons: they are necessary to make sense of differences in housing systems and their linkages to national economies, and because they may render policy learning contingent on contextual factors which, in practice, may limit appropriate peer reference groups to nations with more similar housing systems, since lessons may not be assumed to be translatable to wider contexts.

Since at least the 1960s academic social scientists have sought to provide richer accounts of housing systems. David Donnison's (1967) book, *The Government of Housing*, is widely recognised as marking an early attempt at researching housing from a theoretical (or explanatory) perspective (Doling 1998; Harloe and Martens, 1983; Norris and Stephens, 2014). Donnison identified three housing regime types. These ranged from an 'embryonic' regime where there is minimal state intervention and could be found in economically underdeveloped southern European countries, to a 'comprehensive' regime where the state seeks to ensure that the housing needs of everyone are met and could be found in Sweden and the Netherlands. He also identified an intermediate

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group of economically developed Anglophone countries (e.g. the UK, US and Australia) which exhibited a partial and targeted approach to state intervention in the housing market.

The enduring significance of Donnison's contribution is the underlying theory that suggests that the nature of the housing system arises from the economic development of the country. So, as in broader welfare state thinking at the time (Wilensky and Lebeaux, 1958), Donnison assumed that as countries' economies developed they would move towards the 'comprehensive' model of housing provision. This places Donnison firmly in the tradition of 'convergence' theory. Although it was not a term Donnison used, Harloe and Martens (1983) identified it as being a sub-set of adopting 'many of the perspectives and assumptions of the structuralist-functional sociology... and of the pluralist view of the political process associated with it' (p. 258). In Donnison's version of convergence theory, policies do matter, but are assumed to be adopted by civil servants operating within a consensus that seeks to promote greater equality. By the time Donnison revised the book, with Clare Ungerson, the authors conceded that the progressive consensus no longer existed (Donnison and Ungerson, 1982).

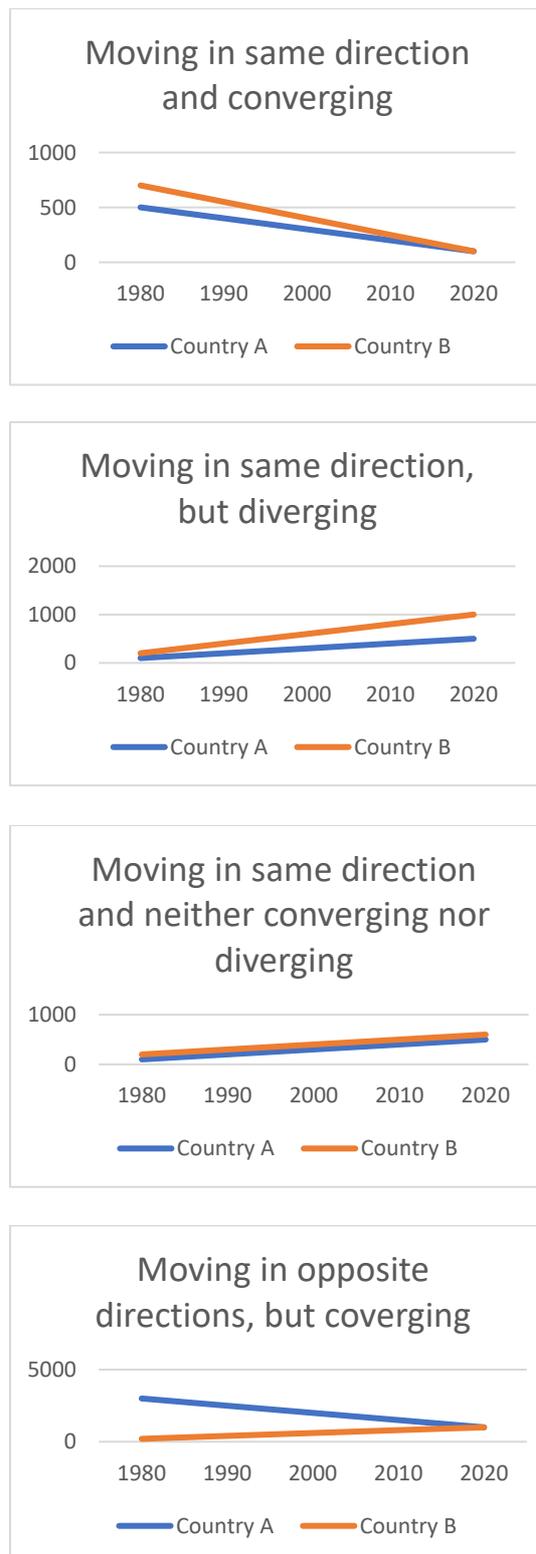
Later, Michael Harloe (1995), one of Donnison's protégés, developed a more elaborate version of Donnison's convergence thesis, in which he tied the development of European and US housing systems to the broader nature of the economy. So, the period of *laissez-faire* capitalism as countries urbanised and industrialised led to the dominance of a largely unregulated private rented sector; when industry became organised on Fordist lines, there was a shift towards the mass provision of public housing; but with post-Fordism and deindustrialisation we saw the decline in public housing as building programmes were wound down, existing public housing was often privatised (or demolished) and state provision became more selective resulting in more residualised public sectors. Again, this argument mirrored analyses of the rise and retreat of broader welfare states that are often characterised as turning towards neo-liberalism. A broader point is that what happens in housing systems and welfare states might be more accurately characterised as being reflective not so much of the wider economy (as Donnison had suggested), but of the *political economy*.

This then begs the question, 'What drives political economy?'

What lies behind Donnison's pioneering work, and that of Harloe, is really an interplay of politics, economics and ideology. Indeed, in much of modern housing research 'convergence' approaches often assume that housing systems are being driven by a common driver which is the product of a shared political economy, notably 'neoliberalism' or 'globalisation'. A Google Scholar search for 'housing' + 'neoliberalism' produces some 118,000 results; a search for 'housing' + 'globalisation' produces 194,000 hits. Of course, most of the publications that are identified by these searches are not comparative, but the fact that they can be found in publications about countries across the world, and are indicative of the importance attached to these processes.

Other modern convergence theory places emphasis on commonly experienced shocks, such as the Global Financial Crisis, which has also been the subject of much scholarly attention. 'Housing' + 'Global Financial Crisis' produces an astonishing 1.8 million hits on Google Scholar. (If the term 'Great Recession', the preferred term for Global Financial Crisis in the US, is used instead, then 380,000 articles are identified.)

**Figure 1. Clarifying ‘convergence’**



Whilst the identification of a common process (such as neoliberalism) or a commonly experienced shock (such as the GFC) leads to an assumption that housing systems are moving in the same direction, this does not necessarily imply that they are becoming more alike. The simple representations in Figure 1 shows the trajectory of two housing systems (Country A and Country B) over time against a hypothetical index of similarity. These charts demonstrate the logical

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possibilities that even if countries' housing systems are moving in the same direction they might remain equally different, or even diverge, as well as converge. Conversely, they could be moving in opposing directions, but converging.

These hypothetical possibilities point to weaknesses in the application of convergence theory, at least in a crude and overarching way. Kemeny and Lowe (1998) complained that much of the research generated by international agencies and replicated by some academics tended to be descriptive of (sometimes detailed) housing policy and comparison was consequently 'juxtapositional' (rather than explanatory). If broader convergence theories were over-deterministic, then there was a need to examine housing policies and institutions in a different way from international agencies.

Kemeny and Lowe therefore advocated 'middle range' divergence theories, which seek to integrate empirical and theoretical perspectives. The empirical part of this approach differs from the kind of data-driven approach of international agencies and instead places great emphasis on *contextualisation*:

'This kind of theorisation is more difficult than global generalisation. It requires the use of both quantitative and qualitative research methods as well as very careful attention to historical and cultural contexts. Equally as important, it requires drawing on the theoretical foundations of the wider social sciences to generate conceptualised explanations' (Kemeny & Lowe, 1998: 170).

They characterise their approach as being explicitly 'divergent' in nature, which reemphasises the role of policy, but contextualises it (historically and culturally). This represents a *partial* contextualisation, because it nonetheless focuses on housing. Stephens advocated a 'system-embedded' approach, suggesting that policy *detail* does nonetheless matter:

'In re-making the case for policy-related comparative housing research, we need to restore the principle that it should not only be built on firm empirical foundations – a necessary *pre-condition* for comparative housing research – but these must also be embedded in an understanding of the housing system and the wider social and economic structures with which the housing system interacts. We call this the principle of system-embedded research.' (2011: 346) [emphasis in original]

Stephens went on to identify housing systems as being, '... the way in which institutions inter-act with public and private institutions that form the housing system [with]in which policy operates.' (2011: 347)

In other words, contextualisation has been elevated; first, so that housing institutions are understood within their historic and cultural contexts, and second, that their operation is understood in relation to their interaction with wider institutions, for example micro-social and economic institutions such as labour markets, tax and social security systems and financial systems, and macro-social and economic institutions, such as monetary policy.

This point will be elaborated in the next section where we turn to the most commonly applied frameworks for analysing housing systems. These are mostly within the broad tradition of the housing-welfare regime approach, and whilst they reject crude convergence we shall demonstrate that the converse – divergence – is equally unsustainable.

## Frameworks for comparing housing systems

‘Undertheorisation’ has not been confined to housing studies. The Danish scholar, Gøsta Esping-Andersen, responded to the ‘undertheorization of the welfare state’ (1990: 107) with his book, *The Three Worlds of Welfare Capitalism*, which has had a profound influence on comparative research across the applied social sciences, including housing studies. Esping-Andersen’s empirical study is of 18 industrialised countries, there are three key aspects to Esping-Andersen’s framework.

The first was his insistence that comparative scholars needed better measures of the welfare state. Responding to this ‘undertheorization’, Esping-Andersen (1990) asks us to look for measures of the welfare state that capture its purposes and logics. Previous studies had relied significantly on levels of social expenditure in order to classify welfare states, but Esping-Andersen cautions that not all spending counts equally – while some countries emphasise means-tested provision, others provide generous privileges for civil servants, while others still provide tax expenditures that primarily benefit the wealthy. In response, Esping-Andersen proposes ‘decommodification’ and ‘stratification’ as being key measures of welfare state difference, being components of social citizenship arrangements (e.g. 1990: 21). He defines decommodification as ‘...the degree to which individuals or families, can uphold a socially acceptable standard of living independently of market participation’ (1990: 37); whilst stratification refers to the way in which entitlements are segmented by occupational group, i.e. occupational status (as in corporatist regimes), or by income/ means-testing (as in liberal regimes).

Second, his study develops the concept of a welfare ‘regime’: ‘[a] particular constellation of social, political and economic arrangements which tend to nurture a particular welfare system’ (Taylor-Gooby, 1996: 2000). This constellation is the product of the relative balance between the market, the state and the family in welfare production. Within the welfare regime framework there are ‘liberal’, ‘corporatist’ and ‘social democratic’ regimes which are identified as possessing particular distributional tendencies. Whereas much previous work had scored welfare states on a continuum of being more or less generous, Esping-Andersen (1990: 26) stressed that ‘the welfare-state variations we find are therefore not linearly distributed, but clustered by regime-types’ capturing, in essence, qualitative differences between them.

Third, Esping-Andersen’s study favoured a theoretical account that is distinct to that put forward by Donnison (1967) and Wilensky and Lebeaux (1958), who had seen welfare states as being essentially the product of economic development. Rather than emphasising only one causal variable, Esping-Andersen stresses the importance of three: working class mobilisation, class-political coalitions and the historical legacy of regime institutionalisation (1990: 29). These, in essence, captured ‘structural’ or ‘political’ influences on welfare state differences, emphasising class conflict as it is mediated through institutions.

Esping-Andersen’s analysis is principally focussed on labour market institutions, and those elements of the welfare state that (re)distribute labour market income, notably systems of social insurance, social assistance and pensions. Nonetheless, his framework has been very attractive to practitioners of comparative housing research, even though he omitted to consider housing. A key question, therefore, is the extent to which Esping-Andersen’s schema can be ‘read across’ from one set of institutions to housing (Stephens, 2016). This raises intriguing theoretical questions whose answers have crucial policy implications. These are, first, whether it is safe to assume that (say) a welfare regime identified as being liberal will also exhibit a liberal housing regime, or, crucially, whether its distributional consequences are necessarily the same. Kemeny (2006), for example, posits that different ‘pillars’ of the welfare state might differ because they exhibit different power balances within them. This can determine whether the housing system amplifies, counters

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or merely replicates the distributional outcomes of what Stephens calls the ‘wider welfare regime’ (see Stephens, et al 2010), i.e. the institutions that are associated with Esping-Andersen’s study. Rebecca Tunstall et al (2013) have dubbed this the ‘saving grace argument’ after a consideration of the question by Bradshaw, et al (2008). In the context of internationally high level of income poverty they asked, ‘does good quality housing represent a hidden asset (for poor people) in the UK?’ (ibid.: 8) The question has been investigated across countries with reference to indicator-type outcomes such as affordability, overcrowding and amenities, and imputed rental income (Stephens and Van Steen, 2011).

Esping-Andersen’s approach has been applied to comparative housing studies in a variety of ways. One approach is to examine its veracity as a means of characterising housing systems, which led to other clusters, notably Mediterranean/ Southern European (Allen, et al, 2004), East Asian and East European, being added to Esping-Andersen’s mostly western European and North American selection. Other studies use the categorisations as a form of country selection in comparative studies, for example with each country selected being taken to be representative of a regime type, something that Aalbers (2016) criticises for ignoring within-regime type variations, which, following Torgersen (1987), he judges to be likely due to the ‘special and awkward position’ that housing occupies within the welfare state. According to Bengtsson (2001), compared with other ‘pillars’ of the welfare state, housing interventions are more likely to take the form of correctives to the market (rather than direct provision). Hence Aalbers asserts that comparative scholars often mistakenly treat housing as being “[a] public policy of the welfare state rather than as public policy in its own right.” (2016: 10). However, this only serves to remind us to be careful with the interpretation of terminology. Esping-Andersen uses the term ‘welfare-state’, but in a sense that excludes some public services (notably healthcare), whilst incorporating modes of labour market organisation (Stephens, 2020a). In this sense, housing remains suited to its incorporation into Esping-Andersen type models, though there is a need to remain alert to the risk of ‘mindless classification’ (Kemeny, 2001: 61).

Housing scholars who adopt or adapt Esping-Andersen’s framework fall within the ‘housing-welfare regime framework’, but, as Blackwell and Kohl (2018) note, the typology of housing regimes developed by Jim Kemeny in a series of publications including and following from his 1995 book has been the most influential of those falling into this school. Although Kemeny claims to reject the ‘working class mobilisation’ thesis employed by Esping-Andersen, his emphasis on underlying ideology (notably the role of ordo-liberalism in Germany) runs alongside the balance of power between labour and capital, and remains consistent with it (Kemeny, 1995).

Kemeny’s thesis is explicitly a *housing* one. This is outlined and critiqued in detail in Stephens (2020a), and only the key points are discussed here. Kemeny’s thesis is predicated on a starting point in which government responds to housing shortages with some form of subsidised housebuilding programme. Initially, cost and market rental sectors can be unified by subsidising the ‘cost rental sector’ and adopting rent controls in the market rental sector to counter the upward pressure on rents caused by scarcity. As shortages are met, rental surpluses accrue, and governments are faced with a critical juncture. They may recycle surpluses within the housing system to allow the ‘cost rental sector’ to compete with the market rental sector. Indeed, as growing surpluses are enjoyed by the cost rental sector, it is able to compete with the market rental sector to the extent that rent controls can be lifted, and competition from the cost rental sector is sufficient to set rents across the newly ‘integrated’ rental sector. In a later iteration of the theory, the idea that the nature of the cost rental sector can shape the whole rental sector is extended into one where it can define the entire *housing system*. This occurs because the cost rental sector, and its influence over the market rental sector, creates a sufficiently attractive rental sector as a whole that it can effectively compete against home-ownership. Such unitary or integrated housing regimes

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may be contrasted with those where government extracts rental surpluses from cost rental sectors, forcing rent up, new build down, often with privatisation of stock, too. The cost (or public) rental sector becomes residualised, targeted on the poor and is separate from the market rental sector, hence the label 'dualist' rental systems. Home-ownership becomes the tenure of choice, often encouraged by tax breaks. Again, the conjecture is that the whole housing system is defined by the nature of the cost rental system, creating 'dualist' housing regimes.

Kemeny approach is a defiantly 'divergent' one in which countries can shape their own housing systems. He therefore rejects the determinism of the convergence approaches, particularly those of the 'new' convergence school that emphasise universal processes of globalisation and neo-liberalism (rather than economic development, which was the driver in 'old' convergence' theory).

There are a number of weaknesses to Kemeny's thesis. One is that although rental systems might accurately be described as being 'dualist' or 'unitary/ integrated', it does not follow that the entire housing system is defined by these relationships. This is the case in the US where interventions other than public housing are more significant (Blessing, 2016); and in the UK where in the second half of the 20 century the key division was between social renting and home-ownership (Stephens, 2020a). Further, the schema is really limited to explaining the development of housing systems in countries that did opt to build subsidised housing on scale in response to general shortages, and attempts to extend it outside this relatively small group of countries appears incongruous, because, again, whether a (usually) dualist rental market exists does not necessarily define the housing system as a whole.

A second weakness is that Kemeny never quite succeeded in identifying the significance of the relationship between the housing regime and the wider welfare regime (Kemeny, 2001). A key part of Stephens' (2020a) critique of Kemeny's approach is that the distributional outcomes of wider welfare regimes (i.e. labour markets, tax and social security systems) themselves set 'boundaries of possibilities' for the way in which cost/ social rented system operate. When there are high levels of poverty and inequality, the trade-offs in allocating cost/ social rented housing become more acute. This leads to a third weakness, which is that Kemeny's explicitly middle-range theory underplays the importance of macro-level pressures arising, for example, from globalisation and the perception of economic failure. In turn these have demonstrably led to welfare system reform in countries such as Germany and Sweden, and this, in turn has undermined, the ability of unitary/ integrated housing regimes to operate as such (Stephens, 2020a).

The growing importance of the connections between the housing system and an increasingly globalised financial market prompted Schwartz and Seabrooke (2008) to place this at the centre of their 'varieties of residential capitalism' typology which, in turn, represents a more complete iteration of the 'financialisation' thesis of which Aalbers (2016) is the leading exponent. Financialisation seeks to explain (or at least characterise) how housing systems are affected by the breakdown of specialist circuits of housing finance, and (especially) the role of finance in turning housing into a much more liquid asset, which, in turn, blurs the distinction between income and wealth distribution.

The housing-welfare regime therefore necessarily evolves. Stephens (2020b) argues that a framework that more explicitly takes account of the spheres of production, consumption and exchange (finance), relates these explicitly to the wider welfare regime, and advances beyond the 'middle range' to accept the importance of contextual macro-level forces such as monetary policy and Quantitative Easing. This does not mark a return to 'convergence' but rather a recognition of institutional interdependence between different 'spheres' of the housing system, and with both the micro-institutions of the wider welfare regime and the macro-institutions. The implication is that

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there remains policy choice, but the choices may have become more constrained as the trade-offs become more acute. It is to housing outcomes that we now turn.

## **Figure 2. Typology of Multi-layered Housing Regime Framework**

[Figure 2 appears at the bottom of this file, after the reference list]

Source: Stephens (2020b)

### **Ways of comparing housing outcomes**

Claims about the continuing relevance of housing systems or regimes will be judged by the extent to which they successfully predict housing outcomes. Housing outcomes can take multiple forms and the selection of these will ultimately depend on the substantive question that researchers have set themselves. For some institutionalist scholars, the dependent variable might be housing policies themselves, and how these vary across space and time. For political science scholars, the outcomes of interest may be the political preferences that are associated with different housing systems – for example, in relation to preferences for limited welfare state provision. A major strand of research, however, adopts a welfarist perspective, considering how housing policies and systems fare in meeting human needs. This was the starting point of John Hills, who, in his review of social housing provision in England, emphasised the long-standing aim of policy as ‘a decent home for all at a price within their means’ (Hills, 2007: 1) and we focus in particular on this welfarist perspective here.

The first challenge in applying this aim is in deciding what is meant by a ‘decent’ home. Given that nation-specific definitions vary, another approach is to adopt a definition put forward by an international or intergovernmental organisation. An example of this is what the European Union label Severe Housing Deprivation, which is the experience of overcrowding combined with the presence of at least one of a set of indicators of housing deprivation. In this definition of Severe Housing Deprivation, the overcrowding component seeks to capture inadequate space relative to a household’s needs. EUROSTAT defines a dwelling as overcrowded if it lacks a room for: each household and in addition to this a room for: each couple in the household; each single person aged 18 or more; each pair of single people of the same gender between 12 and 17 years of age; each single person between 12 and 17 years of age and not included in the previous category; each pair of children under 12 years of age. In addition to experiencing overcrowding, to experience Severe Housing Deprivation households must also experience darkness (a dwelling that is too dark, with not enough light coming through windows), a leak (more precisely, ‘a leaking roof and/or damp ceilings, dampness in the walls, floors or foundation and/or rot in window frames and doors’) or the absence of an indoor bath/shower or flushing toilet). An advantage of this measure is that data is available for the full range of countries for which Eurostat provides data. But what is gained in terms of comparability risks being lost in terms of linkage with national, policy-reference definitions.

One further challenge of conducting comparative analyses within Europe is the wide divergence in living standards between nations and whether measurement can adequately capture these. In the comparative literature on poverty and welfare states, it is common to conceptualise poverty as relative and to measure it as occurring where household income falls below 60 per cent of national equivalised median household income. But as Fahey (2007: 35) notes:

‘Following the recent eastern enlargement to the EU, the gap in living standards between the richest and poorest Member States has greatly widened, so much so that what is defined as the poverty threshold in the richest Member States would count as an above-average income in the poorest Member States, and the “poor” in some states have higher living standards than the well-off in other states.’

Consequently, there can be more measured poverty in some richer countries than poorer ones (Hick, 2014), which many researchers have found counter-intuitive. A number of ‘solutions’ to this problem have been proposed - for example, Fahey (2007) proposes supplementing poverty measures relying on national-specific thresholds with other measures where an EU-wide poverty thresholds has been adopted, while Nolan and Whelan (2011) suggest that attention should be prioritised on households who fall below nation-specific relative income poverty lines *and* who experience deprivation because they experience an enforced lack of a series of commodities and are unable to participate in a series of activities deemed to be essential in all countries, regardless of prevailing income levels. Both of these proposals would alter the distribution of measured poverty, identifying it as being more strongly concentrated in the countries of Central and Eastern Europe, when compared with the pattern observed by national relative income poverty measures.

These issues and debates have relevance for housing studies, too. When questions are asked that might allow scope for interpretation – for example, questions about whether the dwelling is too dark - then it is possible that respondents in different parts of Europe will, in similar circumstances, respond to the same question differently. Where, as in the overcrowding indicator, a fixed, objective approach is adopted across Europe, there is the risk that one nation’s standards are being imposed on another’s in terms of what constitutes the problem of crowding. This question is not purely theoretical, with Lelkes with Zólyomi (2010: 9) finding that ‘objective’ measurements of overcrowding produce very different country orderings that those based on self-assessment (Lelkes with Zólyomi, 2010: 9), which has led Sunega and Lux (2016) to seek to construct alternative objective overcrowding measures, based on nationally-variant thresholds, that are in closer alignment with subjective country-rankings.

Identifying what is meant by a home ‘at a price within their means’ is also open to differing interpretation. A key focus in public and policy debate is on house *prices* and on the position of aspirant homeowners. But house *prices* for new or would-be homeowners differ from the housing *costs* experienced by families, and it is these ongoing housing costs that are the focus of the primary measures of housing affordability. Drawing on current income and expenditure, housing affordability tends to be measured in one of two ways: the ratio or the residual income approach.

The ratio method identifies households as experiencing affordability problems where they spend more than a given fraction of their income – often 25% or 30% - on housing. Such thresholds are arbitrary but are easily understandable. However, they have come to be criticised on the grounds that some households who spend in excess of these ratios will have high incomes and will do so because they have a preference to prioritise their consumption on housing (i.e. that they ‘overconsume’ housing). Others question whether low-income households spending below these thresholds can really be said with confidence to be avoiding housing affordability problems, since even lower expenditure *ratios* might be associated with unmet housing need for low-income households (‘underconsuming’ housing). Further even if their reasonable housing needs are met within an affordability ratio, this might leave insufficient income for the purchase of essential non-housing items. Consequently, the literature tends to be rather critical of ratio measures for this reason (e.g. Meen and Whitehead, 2020: 27-29), and yet they remain in widespread usage.

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One primary ratio measure that is used in policy discuss is the European Union's Housing Cost Overburden Rate. This, Eurostat notes, captures the 'Percentage of the population living in a household where total housing costs (net of housing allowances) represent more than 40% of the total disposable household income (net of housing allowances).' In 2018, the countries with the highest housing cost overburden were: Greece, Bulgaria, the UK and Denmark (all over 14%, with Greece at almost 40%), with the lowest incidence in Malta, Cyprus, Ireland and Estonia (all below 4%; see Eurostat, n.d.). These orderings do not obviously pattern by housing or welfare regime.

The chief alternative to ratio measures of affordability are those that examine *residual incomes*. These classify housing affordability problems as occurring when a household's income after housing costs falls below what they need to cover their non-housing needs, with the latter defined in a variety of ways. Because of this appeal to needs and thus, typically, to a poverty line, it is sometimes suggested that this overcomes the arbitrariness of ratio measures, though as is widely-recognised in the poverty literature, standard poverty lines, set at, for example, 60% of median income, are themselves arbitrary (Spicker, 2012). 'After housing cost' poverty rates are frequently compared with poverty rates 'before housing costs' in order to demonstrate the impact of housing costs on poverty rates.

Another example of a residual income approach to housing affordability includes Michael Stone's (2006) concept of *shelter poverty* and Kutty's (2005) concept of 'housing-induced poverty'. As the latter implies, analysts who favour residual income measures often seek to make claims to the effect of housing being the cost that 'induces' poverty. For example, Michael Stone argues that:

'Shelter poverty is just a form of poverty that results from the burden of housing costs rather than just limited incomes. On this basis, only if a household would still be too poor to meet its non-shelter needs if shelter costs were reduced to *zero* should its condition be regarded as *absolute* poverty rather than *shelter* poverty' (Stone, 1993: 34).

This seems rather demanding and, perhaps, over-eager to attribute housing affordability to high housing costs as opposed to their relation to inadequate incomes. Residual income approaches to understanding housing affordability are, however, often treated as being theoretically preferable, though they are utilised less frequently than ratio measures – perhaps in part because it remains unclear how non-housing needs are to be defined because they are less intuitive than ratio measures.

There are also 'hybrid' measures of housing outcomes that combine the features of both types of measure. The 30:40 measure of housing stress, popular in many Australian studies in policy debates, is one such hybrid. This captures circumstances where a household spends more than 30% of its income on housing costs and that they fall in the bottom 40% of the income distribution.

These may be the primary ways in which housing quality and affordability are understood, but they are not without challenges. One challenge arises because affordability and quality concerns are inter-related in ways that these measures do not capture (e.g. Meen and Whitehead, 2020: 18). A family might decide to live in overcrowded or inadequate accommodation in order to keep rent payments at levels that do not breach these affordability thresholds, for instance, or it may breach these thresholds in order to live in a decent home. These might both be understood as examples of resource inadequacy, albeit experienced in different ways.

It is of fundamental importance to the comparative enterprise that the conceptualisation and measurement of housing outcomes are taken seriously – critical if we are to be able to draw

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comparisons at all, or to successfully identify ‘best performing’ nations. But being clear about the housing outcomes that matter and which we are trying to explain is also necessary if we are to use empirical research to test competing theories of what matters in relation to housing – for example, to examine whether levels of wealth or housing systems themselves best explain differences in the quality and affordability of housing between countries.

### **Conclusions and some challenges for the future**

Comparative housing research has progressed over the half-century. It retains different approaches (or “schools”) which have evolved side-by-side. Within the academy, there are now a greater number of studies that move beyond description and juxtaposition to incorporate explanatory frameworks, making fuller use of the possibilities of the comparative approach. These explanatory frameworks, too, have evolved, reflecting “convergence” and “divergence” perspectives, whilst also seeking to understand how the housing system interacts with broader micro- and macro-institutions.

In concluding this overview of comparative housing research, we briefly identify three challenges for future research in this area. The first is that, while the unit of analysis in comparative research can vary, ‘comparative housing research’ has tended to involve comparisons between national housing systems. This has been challenged by those who suggest that analysis beneath the level of the nation state has become more appropriate. This argument was advanced recently by Matznetter (2020) and Hoekstra (2020). The pragmatic answer is that ‘it depends’ – on what the research question is (see Stephens 2020b). It is equally possible that London’s housing market might be studied alongside those of other ‘world’ cities, such as New York and Hong Kong, whilst London might also be included with the rest of the UK in a comparative study of housing at the level of the nation state.

A second challenge arises from the weakening of the ideological underpinnings of welfare/housing regimes. The distinctive ideologies of social and Christian democracy, and even (neo) liberalism, are no longer so clearly reflected in western Europe and North America. This potentially frustrates approaches that centre the concepts of welfare “regimes” or housing “systems”. It is possible that Esping-Andersen’s state-market-family triangle of the sources of welfare remains capable of categorising welfare/ housing systems, but is no longer able to explain them.

Finally,, comparative housing research remains orientated towards the global north, with a tendency to apply or adapt northern typologies to vastly different cultural, social and economic contexts. Broadening the reach of comparative housing research to include a wider range of countries and contexts is a task that is ripe for scholarly endeavour.

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**Figure 2. Typology of Multi-layered Housing Regime Framework**

