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Divergence in European welfare and housing systems

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TU Delft

Delft Centre for Sustainable Urban Areas

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Divergence in European welfare and housing systems

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Preface

Prefaces usually portray the PhD project as a struggle with many ups and downs. To me, this thesis seems more like the natural outcome of a gradual process, the research activities having been an integral part of my job at the OTB Research Institute for the Built Environment. There, preparing the articles comprising this thesis was only one of my activities, alongside various contract research projects, the other articles that I have written or collaborated on, and my work for the Journal of Housing and the Built Environment.

My career at OTB began in 1998 when I joined it as a contract researcher. In the first two years at the institute, I carried out several local housing market surveys. In 2000, I took my first steps in the world of fundamental research and just kept on going. Along with Henny Coolen, I wrote an article on the application of the laddering method within housing preferences research. Then, together with Agnes Reitsma, I investigated the relationship between the welfare system and the housing system in the Netherlands and Belgium. Eventually, the latter project served as the basis and inspiration for this thesis.

Professor Peter Boelhouwer, Professor Hugo Priemus, and Harry van der Heijden were the supervisors of my PhD project. Although we did not meet very often, they were there whenever I needed them. They put me on the right track when I started the project and provided useful suggestions when I wrote my introductory and concluding chapters. Above all, I want to thank them for the great confidence they have always had in me.

Furthermore, I am indebted to those with whom I co-authored some of the chapters of my thesis: Marja Elsinga (Chapter 5), Iñaki Heras Saizarbitoria and Aitziber Etxezarreta Etxarri (Chapter 6) and Cyrus Vakili-Zad (Chapter 7). Working with each of you was an inspiring experience and I sincerely hope to continue our collaboration in the future.

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A few people deserve special mention. First of all, I want to thank Roland Goetgeluk, with whom I have shared an office during most of the PhD project. Roland helped me a lot with the statistical analyses, but I also have fond memories of our lengthy and sometimes surreal conversations on politics and life in general. I regularly joined Evert Meijers and Henk-Jan van Mossel for a game of tennis or squash, after which we often discussed the progress on our PhD projects (they were much faster than I was, at least in finishing up). And I am grateful to Nancy Smyth van Weesep for the language editing of Chapters 1 and 8 of this thesis.

Last but certainly not least I want to thank my family. Blanca, Maite, Koos, Anneke, Jasper, Ruby, and Job – I could count on all of you for love and support. Although my PhD thesis was not a regular topic of conversation, you

sometimes prodded me on by asking when I was planning to finish the project. I am glad to say that the moment has now arrived.

Joris Hoekstra
Delft, August 2010

Contents

1 Introduction

1.1 Introduction

This thesis attempts to test the extent to which the divergence theories and typologies formulated by Esping-Andersen (1990) and Kemeny (1992 and 1995) constitute a valuable framework for explaining international differences in housing policies, housing outcomes, and housing market developments. Esping-Andersen's theory entails a typology of three welfare state regimes (social-democratic, conservative-corporatist, liberal), whereas the theoretical work of Kemeny distinguishes two types of rental system (unitary and dualist). All six articles in this book use these theories and typologies (either one or both) as an explanatory framework.

Since their formulation in the 1990s, both of these theories and typologies[1] have dominated the debate in international comparative housing research. Nevertheless, there were still significant gaps in knowledge concerning their explanatory power when I started this research project in 2002. At that time, most of the debate took place at a conceptual or theoretical level. The theories and typologies of Esping-Andersen and Kemeny had hardly been tested against empirical housing data. This thesis makes an attempt to fill this gap. Of course, I am not the only housing researcher who has tried to do so. After 2002, several others took up this challenge as well (Domburg-De Rooij and Musterd, 2002; Matznetter, 2002; Hulse, 2003, Allen *et al.,* 2004; Arbaci, 2007; Stamsø, 2008; Van Gent, 2009). All these scholars have linked Esping-Andersen's welfare state regime typology to the housing system[2]. However, doing so they focused on particular countries or welfare regimes; alternatively, they focused on specific elements of the housing system such as segregation, urban restructuring, the market rental sector, or neighborhood regeneration. My approach is more comprehensive. In this thesis, I attempt to cover as many elements of the housing system as possible. Furthermore, by selecting a broad range of countries, I hope to do justice to the variation between countries and welfare state regimes. Thereby, I intend to offer an overall picture of the explanatory power of both of these divergence theories and typologies with regard to the field of housing.

A second gap in international comparative welfare and housing research

1 Throughout this thesis, I usually refer to the theoretical frameworks of Esping-Andersen and Kemeny with the term 'theory and typology'. The typology specifies the characteristics by which welfare and housing systems differ from each other, while the theory explains how these differences have come into being. The theoretical parts of this thesis deal with both the theory and the typology, whereas the empirical parts of the study focus on testing the typologies.

2 Following Bourne (1981), I define a housing system as "... an imprecise, but nevertheless convenient expression encompassing the full range of interrelationships between all the actors (individual and corporate), housing units, and institutions involved in the production, consumption, and regulation of housing."

around 2002 concerned the relative inattention to the Southern European EU countries, both in empirical research as well as in theory-building. In fact, these countries are not included in the empirical analyses that underlie the typologies of both Esping-Andersen and Kemeny. As a result of this gap, it is not clear how the Southern European EU countries fit into these typologies. Various researchers have reacted to this omission by formulating a separate Mediterranean welfare state regime. In housing research, Barlow and Duncan (1994) but especially Allen *et al*. (2004) did groundbreaking work by applying Esping-Andersen's framework to Southern Europe. However, these researchers presented limited empirical evidence to support their arguments. In this book, I will therefore assess to what extent the specific characteristics of the Mediterranean welfare and housing systems express themselves in specific housing policies, housing outcomes, and housing market developments.

Structure of this chapter

This introductory chapter starts with a discussion of the main trends in international comparative housing research, with the aim of placing the frameworks of Esping-Andersen and Kemeny in a broader perspective (Section 1.2). After that, both theories and typologies are described in more detail and the differences and similarities between them are discussed (Section 1.3). Section 1.4 considers the objectives of the research, the research questions, data and methods, and the selection of countries. A short introduction to each of the articles included in the thesis is provided in Section 1.5. This last section also shows how the papers are embedded in other research that I have carried out in recent years.

1.2 Convergence and divergence in international comparative research

Different scholars apply different definitions of the term 'comparative research'. Pickvance (2001) takes a very broad view, calling research comparative when data is gathered on two or more cases and an attempt is made to explain rather than merely describe (Pickvance, 2001). By implication, almost all scientific research is comparative. Przeworski and Teune (1970) apply a much narrower definition. They restrict comparative research to cross-country studies in which a societal characteristic is shown to have an effect on the variable or relationship of interest, for example when a characteristic of the national political system affects some aspect of electoral behavior (Przeworksi and Teune, 1970, as cited by Pickvance, 2001). The international comparative analyses (Chapters 3 to 5) that are presented in this book fit well within the latter definition. In these analyses, societal characteristics (notably, the nature of the national welfare system and/

or housing system) are used to explain differences between countries with regard to measurable housing outcomes. Or, stated differently, the context is used to explain the content (Doling, 2010). Such a context-to-content approach is also used in Chapters 2, 6, and 7. However, since these chapters only look at the developments in one particular country, they are not internationally comparative.

Universalistic and particularistic approaches

Within international comparative research, two polar opposites can be distinguished: a universalistic approach and a particularistic approach. Researchers adhering to the universalistic approach look for relations between variables in abstraction from the surrounding societies (Pickvance, 2001, p. 12). In the early post-war period, this was the predominant approach. Universalizing comparative analysis started from 'surface-level' similarities and implied that these could be explained by a 'deeper-level' common process or cause (Pickvance, 2001, p. 18). This search for constant factors or general laws capable of explaining social phenomena was grounded in the assumption that universal characteristics could be identified in social phenomena, independent of a specific context. One of the conclusions drawn on the basis of this type of research was that all industrial societies would undergo the same evolutionary process and ultimately converge. The universalistic approach, with its emphasis on the search for similarity and convergence, has been criticized for ignoring specific contexts, specific institutions, or specific politics (Hantrais, 1999, p. 95). This critique relates to the fact that universalist theories are often based on an analysis of developments in one particular country, which means that they may not be representative for the situation in other countries (Van Kersbergen, 1995, p. 12).

The particularistic approach is in many ways the opposite of the universalistic approach. Proponents of the particularistic approach maintain that social reality can only be properly understood within its context. Thus, all research findings are conditioned by spatial and temporal factors, which means that they are not amenable to generalization (Hantrais, 1999, p. 93). In particularistic comparative research, the focus is on national uniqueness; the existence of truly universal concepts and values is rejected. All concepts are said to be irrevocably culture-specific with different meanings in different places and at different points in history (Sommerville, 2005). This implies that international comparisons have very limited added value.

In the course of the past two decades, more and more researchers have tried to find a path between these two approaches. The resulting 'middle way' is an attempt to strike a balance between generalization and attention to difference. The aim is to identify general factors within social systems that can be interpreted with reference to specific societal contexts. Ultimately, this should lead to the development of theories of the middle range (Kemeny

and Lowe, 1998). While such theories acknowledge that social reality is context-dependent, they also accord the context itself importance as an explanatory variable and an enabling tool, rather than dismissing it as a barrier to effective cross-national comparison (Hantrais, 1999, p. 94). Theories and studies that fall under this approach tend to use typologies derived from cultural, ideological, or political theories as the basis for understanding differences between groups of societies (Kemeny and Lowe, 1998, p. 171). Research taking this 'middle way' is often said to take the 'divergence approach'.

Universalistic approaches

International comparative housing research started to develop in the 1960s. The first studies in the field tended to be rather descriptive and exploratory. They described how things worked in foreign housing systems in order to assemble a general pool of knowledge (Oxley, 2001, p. 91). Most of the early researchers adopted a universalistic (convergence) perspective. Donnison (1967), for instance, assumed that general economic and demographic developments would lead to an international convergence of housing policies, despite the political and institutional differences between countries (logic of industrialization).

The most influential and comprehensive convergence theory within international comparative housing research was couched in Harloe's book *The People's Home* (1995). There, Harloe used a neo-Marxist framework to explain the development of national housing systems. He argued that government intervention in the housing sector depends on the profitability of housing to private capital, with all countries eventually passing through the same phases of commodification, decommodification, and recommodification. In periods of low profitability for private investment, the state intervenes and provides social rented housing; this process is reversed once conditions favorable to profit-making are re-established.

Based on this argument, Harloe discerned two basic models of social housing: a residual model and a mass model. The former describes social housing that has been produced through small-scale programs and that is destined for the poorest groups in society, which means that a stigma is attached to it. The latter model refers to large-scale building programs for social rented dwellings that are subsidized by the state. In this model, social rented dwellings are destined not only for the poor but also for the middle classes, which implies that the level of stigma is considerably less. In Harloe's view, the residual model should be considered the 'normal' housing model. The mass model only applies to periods of crisis and/or restructuring, when the market sector is temporarily unable to provide housing in a profit-oriented manner.

The convergence approach is still influential. The most recent studies in the field stress that the pressures of globalization, international competition, and fiscal austerity will lead to an almost inevitable retreat of the welfare state

(see Genschel, 2004, for an overview of this new convergence approach).

The 'middle-range' approach

Harloe's book may be seen as an exception to the mainstream trend. Since the 1990s, theory in international comparative welfare and housing research has been moving towards the middle-range approach (Kemeny and Lowe, 1998). This is clearly illustrated by the fact that the most important theories in the field now use typologies to classify countries.

Within international comparative welfare research, the divergence theory and typology of Esping-Andersen (1990) has acquired a rather dominant position. According to Esping-Andersen, one should not speak of *the* welfare state, since different welfare states have different characteristics. He argues that there are three ideal typical welfare state regimes (liberal, conservative-corporatist[3], and social-democratic) that differ fundamentally from each other. Although Esping-Andersen's work does not deal with housing, his theory and typology has nevertheless had a significant influence on international comparative housing research. The main features of the Esping-Andersen framework are discussed in Subsection 1.3.2.

The field of international comparative housing research also has its own divergence framework: Kemeny's theory and typology of dualist versus unitary rental systems. Kemeny states that the rental markets in societies with corporatist power structures (this concerns both the social-democratic and the conservative-corporatist welfare state regimes in the typology of Esping-Andersen) are organized in a fundamentally different way than the rental markets of societies in which such corporatist power structures are absent (i.e., the liberal welfare state regimes). The main characteristics of Kemeny's framework are discussed in Subsection 1.3.3.

The role of theory

Despite the existence of the theories of Harloe and Kemeny, and the fact that Esping-Andersen's welfare state regime theory and typology is often applied in international comparative housing research, various researchers argue that theorizing in this field remains neither extensive nor deep. Oxley states that housing is a field of activity, an area of policy and practice, and a complicated multifaceted phenomenon, but that it is not a discipline with its own theories (Oxley, 2001, p. 92). According to Kemeny (2001, p. 60), researchers in the field

3 In the general welfare state literature, and also in the subsequent chapters of this thesis, the terms 'corporatist' and 'conservative-corporatist' are often used interchangeably to refer to this welfare regime type taken from the typology of Esping-Andersen. However, in this chapter, I consistently use the term 'conservative-corporatist' to clearly distinguish this regime type from what I call 'labor-led corporatism' (see Subsection 1.3.4) and 'modern corporatism' (see Subsection 8.2.1).

of housing and welfare research are focused on detecting and describing typologies rather than on explaining or further developing them.

To some extent, Oxley and Kemeny are right in my opinion. Few attempts at theorizing have been made; indeed, much of the international comparative housing research is still rather descriptive. At the same time, it should be noted that the theories and typologies that do exist, such as Kemeny's rental system theory and typology, have barely been tested against empirical housing data. The same goes for the welfare state regime typology of Esping-Andersen.

This lack of theory testing might be as bad for theory-building as the lack of new theoretical insights. Following the empirical cycle, any theory needs to be systematically tested against empirical data in order to assess its applicability and validity. Theories and typologies that don't withstand the test should either be rejected or adapted and tested again. With this thesis, I hope to make a modest contribution to this process.

1.3 The divergence theories and typologies of Esping-Andersen and Kemeny

1.3.1 Introduction

This section briefly describes the divergence theories and typologies of Esping-Andersen and Kemeny. These are the two theoretical frameworks that are applied and tested in subsequent chapters of this thesis. Applying a general welfare state regime theory and typology, such as that of Esping-Andersen, to the field of housing only makes sense if the housing system is seen as an integrated part of the welfare state. Opinions on this issue differ, however, as shown below.

Housing and the welfare state

It is generally acknowledged that welfare states are supported by four pillars: social security and pensions; healthcare; education; and housing. Of these four, the position of housing is the least obvious. According to Harloe (1995), housing has different characteristics than healthcare, education, or income support. As a tradable commodity, housing occupies a central position in the capitalist economy. Consequently, a permanent large-scale decommodification of housing will meet serious resistance from vested capitalist interests and is therefore unlikely (Harloe, 1995, p. 537).

Kemeny (2001) also stresses the specific position of housing compared to the other welfare sectors. He argues that housing, unlike the other pillars, is characterized by a high capital intensity and, depending on the country concerned, a strong private-sector involvement. While the other three pillars are often, though not always, provided by the state and paid for out of tax-

ation, housing tends to be provided by the private sector. Some housing has been directly provided by the central or local government, some by non-profit organizations that are regulated by the government. But this only serves a minority (generally less than half) of the population, and even then it is provided at a price charged to consumers that covers a much higher proportion of the costs than is the case in education and healthcare (Kemeny, 2001, p. 55). It is for these reasons that Torgersen (1987) refers to housing as 'the wobbly pillar under the welfare state'.

Although Harloe and Kemeny both acknowledge the specific position of housing within the welfare state, they draw completely opposite conclusions from this observation. Harloe states that welfare regime types that are developed with reference to non-housing aspects of social policy are not useful in studying housing markets and policies comparatively (Harloe as cited by Kleinman, 1996, p. 179). This implies that he rejects the application of Esping-Andersen's theory and typology to the field of housing.

Kemeny, on the other hand, sees the housing sector as a crucial part of the welfare state. According to him, the critical importance of housing is best illustrated by looking at some of its effects on other welfare sectors. For example, Kemeny argues that owner-occupation undermines support for a universal state-regulated health insurance and pension system (see Kemeny 2001 and 2005, as well as Chapter 4 of this thesis, for an elaboration of this point). In addition, he also considers the influence of the dwelling type on the spatial and societal structure of a country (in Chapter 3 of this thesis this idea is further developed and tested). To stress the large influence of housing on society, Kemeny (1992, p. 79-80) states:

> 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 by breaking up large schools into neighbourhood ones, or by combining schools with universities. The impact on social structure would be far less than, say, reorganising housing so that everyone lived in collectives, or high-rise flats, or multiple occupancy.

The difference of opinion between Harloe and Kemeny might be attributed to their differing definitions of the welfare state. Harloe seems to take a rather narrow view of it as a set of public services operating outside (or largely outside) the market. This means that, as far as housing is concerned, he mainly focuses on the public or social rented sector. Kemeny's definition covers not only the welfare services provided by the government; he also considers how the privately organized parts of the housing system, such as the owner-oc-

cupancy sector, relate to the non-housing parts of the welfare state, assuming that these relationships are strong (Malpass, 2008, p. 2). Such a broad approach is also advocated by Allen (2006). She prefers to speak of a welfare system rather than of a welfare state because welfare services may also be provided by market parties or the family. A welfare system can be defined as a specific configuration of the state, the market, and the family that delivers welfare services to households and individuals (Allen, 2006, p. 265). Allen sees housing, irrespective of whether it is publicly or privately provided, as an important and integral part of such a welfare system.

The vision that housing should be seen as an important element of the welfare state or welfare system is also shared by other contemporary international comparative housing researchers such as Groves *et al.* (2007) and Ronald (2008). As the latter (p. 11) states:

> Housing constitutes a welfare good in itself in terms of shelter, but it also forms the basis of how households use and share other welfare goods. It acts as a store of resources in terms of use, asset, and exchange, and spatially constitutes the point of exchange of goods and welfare services between family members.

In this thesis, I concur with the broad definition of the welfare state and the welfare system outlined above. Accordingly, I consider housing an important element of such a state or system[4].

1.3.2 The welfare state regime theory and typology of Esping-Andersen

According to Esping-Andersen, modern welfare states differ from each other on three crucial dimensions: the extent of decommodification; the stratification; and the way in which state activities are linked to the role of the market and the family in the provision of welfare.

In pre-capitalist and pre-industrial times, society was largely decommodified. The survival of civilians did not depend on labor contracts but on the family, the Church, and the feudal rulers (Esping-Andersen, 1990, p. 35). With the rise of capitalism these welfare providers became less important (through individualization, secularization) and the chances of survival became largely dependent on the market. By selling their labor capacity, civilians could earn the money they needed to afford accommodation and food. This commodification of society also resulted in increased risks and insecurity. What happens to people who cannot sell their labor capacity, for example because of old age, sickness, or unemployment? Social policies at the state level were

4 In this thesis, as in much of the literature, the terms 'welfare state' and 'welfare system' are used interchangeably.

developed to diminish these risks.

These policies resulted in state-induced decommodification; civilians received an unconditional right to certain services and facilities, independent of their labor market participation. There is a direct relationship between the level of state-induced decommodification and the extent of the welfare state; the more state-induced decommodification, the bigger the welfare state. Through its decommodifying welfare policies, the state also influences the social stratification in society (Esping-Andersen, 1990, p. 55). As far as this is concerned, there is both an economic effect (who gets what?) and a social effect (the receipt of certain welfare state services or benefits may be echoed in a particular social status).

The state is not the only provider of welfare services (Esping-Andersen, 1990, p. 21). Some of these services, for example health insurances, may be offered on a commercial basis, which means that they are commodified. Other welfare services, such as childcare and care for the elderly, can be provided by family or friends or private non-profit organisations, usually on a decommodified basis. According to Esping-Andersen, the distribution of welfare tasks between state, market, and family is related to the level of decommodification and the stratification. It is the particular configuration of these three aspects that determines the nature of the welfare state. In this regard, three configurations can be distinguished: the social-democratic welfare state regime; the conservative-corporatist welfare state regime; and the liberal welfare state regime (Esping-Andersen, 1990, p. 26). It should be noted that these are 'ideal types'. There is no single pure case, and elements of all three regimes can be found in most countries (Esping-Andersen, 1990, p. 49). Table 1.1 shows the main features of the three welfare state regimes[5]. For a further description of these characteristics, the reader is referred to Chapters 2 and 3 of this book.

Esping-Andersen based his welfare state regime typology largely on an analysis of the social security and the pension system. He did not include housing in his analysis, even though it was one of the topics in his earlier work (Esping-Andersen, 1985). However, housing is not the only welfare state aspect that is absent from the typology. It also leaves out education, healthcare, and fiscal measures (Groves *et al.*, 2007, p. 5).

Background of the welfare state regimes

Esping-Andersen does not limit himself to presenting a typology of welfare state regimes. He has also developed a theory about the differences between the three regime types. These differences are not explained by the level of industrialization and economic development, since Western European coun-

5 The last column of this table presents the features of the Mediterranean welfare state regime. This regime is discussed in the last paragraph of this Subsection.

Table 1.1 A typology of welfare state regimes

	Liberal welfare state regime	Social-democratic welfare state regime	Conservative-corporatist welfare state regime	Mediterranean welfare state regime
Decommodification: extent to which a regime promotes an acceptable standard of living independent of one's market value	Low	High	Medium	Low
Stratification: differences between groups of citizens which are promoted by the regime	Reinforcing distinctions	None, universalist policies	Reproduction of existing stratification	Reproduction of existing stratification
Income distribution and poverty	Large income differences, relatively high incidence of poverty	Small income differences, relatively low incidence of poverty	Medium income differences, medium incidence of poverty	Large income differences, relatively high incidence of poverty
Unemployment	Relatively low	Relatively low	Relatively high	Relatively high
Arrangement between state, market, and family	Dominant position of market parties	Dominant position of the state	Important position for the family, considerable influence of private non-profit organizations	Dominant position of the family
Countries (EU countries only)	United Kingdom, Ireland	Denmark, Sweden, Finland	Belgium, Germany, France, Austria, Netherlands*	Italy**, Spain, Portugal, Greece, Malta

* It should be noted that the Dutch welfare regime is a hybrid case that has both corporatist and social-democratic characteristics.

** Italy is often seen as straddling the Mediterranean and conservative-corporatist regimes, both socially and geographically. While the north of Italy is part of the central conservative-corporatist core of the European Union, the south retains many features of Mediterranean welfare states (Barlow & Duncan, 1994, p. 30).

Sources: Hoekstra, 2005; Vrooman, 2009

tries do not differ much from each other on these variables. Indeed, there is no singular factor that explains the variation among welfare states. Instead, one should look at interaction effects. The interaction between the following three factors is of particular importance: the way in which laborers were mobilized; the coalitions between political parties; and the historical support among the population for the development of the welfare state (Esping-Andersen, 1990, p. 29).

In the first phase of the industrialization process, the rural class still had a dominant position in society. At that time, the development of the welfare state largely depended on the support that social-democratic parties could acquire among the rural class. The potential for making coalitions was greatest in economies that were dominated by relatively small family enterprises in the agricultural sector, such as in Scandinavia. In both Sweden and Nor-

way, 'red-green' political coalitions came into being (Esping-Andersen, 1990, p. 30). These coalitions combined the development of a welfare state ('red' interest) with subsidies for the agricultural sector ('green' interest). Thus, social-democratic welfare regimes are constructed by working-class movements creating alliances with other groups and classes while keeping conservative forces isolated, sidelined, and divided, thereby establishing hegemony (Kemeny, 2001, p. 59).

Such red-green coalitions were not found in Continental Europe (Germany, Italy, Austria). There, the agricultural sector was dominated by relatively large landowners that mostly supported conservative political forces. The welfare states that developed there were the product of a coalition between Social Democracy and Christian Democracy ('red-black' coalition), often with a hegemonic position for the latter movement (Manow, 2009, p. 111). The red-black coalitions developed a different kind of welfare state than the red-green coalitions and placed stronger emphasis on maintaining existing status differences. In response, the diverse interest groups within society often created their own welfare sub-system, which has led to a relatively large array of different welfare arrangements. Lastly, the Church played a relatively important part in the provision of social services (hospitals, old-age homes, kindergartens etc.), whereas such services tend to be provided by the state in the social-democratic Scandinavian countries.

In the Anglo-Saxon countries, the political conditions and power structures were such that the welfare state has remained relatively limited since the onset[6]. According to Iversen and Soskice (2006), this is related to the majoritarian electoral system that is used in these countries. Such a system leads to a two-party constellation with a center-right and a center-left party. Generally speaking, the upper class votes right, the lower class left, but how does the middle class vote? If the left governs, the middle class would naturally fear that the government will tax both the upper and the middle classes for the exclusive benefit of the lower class. If a right party governs, redistribution will be marginal, and the middle and upper classes would hardly be taxed. Therefore, in a two-party system, the middle class more often than not votes for the center-right (Manow, 2009, p. 104). This results in a welfare state with a relatively residual character.

After World War II, the influence of the farmers decreased and the new middle class ('white-collar workers') started to occupy a key position in the political system. In principle, this new middle class did not need extensive welfare policies (Esping-Andersen, 1990, p. 31). However, in the Scandinavian countries, social-democracy was able to commit the middle classes to the

6 This applies somewhat less to the United Kingdom. Initially, the British welfare state had many social-democratic characteristics. Later on it developed more and more in the direction of the liberal model.

welfare state by creating welfare services that were of such a high level that they were also attractive to this group. Such a commitment was lacking in the liberal welfare state regime, where the extent of the welfare state remained limited. In Continental Europe, conservative political forces made the middle classes loyal to a welfare state in which the welfare services were strongly connected to the occupational status of the citizen.

In short, Esping-Andersen concludes that the development of European welfare states is characterized by a large degree of path dependency. Class-coalitions that were forged in the past still make themselves felt in the current welfare state. Moreover, these differences also shape future developments. As Esping-Andersen (1990, p. 33) writes:

> Middle-class welfare states, be they social democratic (as in Scandinavia) or corporatist (as in Germany), forge middle-class loyalties. In contrast, the liberal, residualist welfare states found in the United States, Canada and, increasingly, Britain, depend on the loyalties of a numerically weak, and often politically residual, social stratum. In this sense, the class coalitions in which the three welfare-state regime-types were founded, explain not only their past evolution but also their future prospects.

Recent developments in the welfare state

Since the early 1980s, many welfare states have experienced a crisis. Changing external circumstances (low economic growth, de-industrialization, ageing populations) led to increasing recourse to welfare state services. Countries increasingly had to choose between economic growth and social justice. The calls for welfare state reform became louder and louder, especially from center-right and right-wing politicians who were inspired by the neo-liberal ideology. As a consequence, many Western welfare states indeed started a reform process. The welfare state reforms were not only carried through for economic reasons; they were also the expression of changing insights with regard to the function of the welfare state. Alongside the undoubted benefits of a well-developed welfare state, certain negative factors also became apparent: fraud, dependency, stigmatization, and the poverty trap. In order to avoid these negative factors as much as possible, an alternative philosophy was developed: that of the Enabling State. The goal of this approach is to empower people so that they can shape their own lives. In other words: the welfare state should be transformed from a safety net into a trampoline (Boelhouwer and Van der Heijden, 2005, p. 78).

In most welfare states the reform process resulted in gradual adaptations rather than in radical changes. This is due to the fact that existing institutions are not very open to change. Moreover, many politicians seem to be inclined to preserve at least the basic features of the welfare state. There are often strategic reasons for this: welfare states offer employment to large groups of people who tend to be united in powerful and well-organized lob-

by groups (see also Pierson, 1996). According to Esping-Andersen, this is a risk because it makes the welfare state very inflexible:

> The vast popular majorities in favour of the welfare state that opinion polls and election results regularly identify are essentially conservative ones because they rely on, and wish to perpetuate, a benefit structure that was put in place more than a generation ago. The political problem today is how to forge coalitions for an alternative, post-industrial model of social citizenship and egalitarianism (Esping-Andersen, 1996, p. 267).

The restructuring outlined above does not yet lead to a clear convergence of the European welfare states. In a recently published thesis, Vrooman (2009) has used a categorical principal component analysis to test Esping-Andersen's typology. No less than 54 variables that together present a fairly complete empirical operationalization of Esping-Andersen's welfare state regime types were included in the analysis, with all data referring to the early and mid-1990s.[7] The results of this analysis show that the welfare state regimes that were identified by Esping-Andersen (based on data from the early 1980s) still exist.[8]

The position of Southern Europe

In the original theory and typology of Esping-Andersen, the Mediterranean EU countries (with the exception of Italy, which was classified as a corporatist welfare state regime) were left out of the picture. In reaction to this omission, several researchers (for example Barlow and Duncan, 1994; Ferrara, 1996) proposed formulating a 'new' welfare state regime for the Southern European countries. In this thesis, that new regime type is called the 'Mediterranean welfare state regime'. Represented by Portugal (although strictly speaking not a Mediterranean country), Spain, Italy, Greece, and Malta (see also Vakili-Zad, 2007) the Mediterranean regime distinguishes itself from the other types mainly by its strong degree of familialism. This implies that disproportionately many of the welfare tasks are carried out within the family and without much interference from the market or state (Barlow and Duncan, 1994, p. 30). The last column of Table 1.1 shows how the Mediterranean welfare state regime compares to the three regimes distinguished by Esping-Andersen. For more information on the Mediterranean welfare state regime, the reader is referred to Chapters 3, 6, and 7 of this thesis.

7 This analysis covered the following 11 countries: the Netherlands, Germany, Belgium, France, Sweden, Denmark, Norway, UK, Canada, Australia, and the United States.

8 The question remains what the effects are of the restructuring measures that took place after the early and mid-1990s.

1.3.3 The divergence theory and typology of Kemeny

The most influential exponent of the divergence approach in housing research is surely Kemeny (1992, 1995). In *Housing and Social Theory* (1992), Kemeny developed a theoretical framework for international comparative housing research that is grounded in the dichotomy between collectivist and privatist ideologies. Kemeny associates advanced industrial homeownership-dominated societies with an ideology of privatism and a residualization of welfare. Conversely, advanced industrial societies with a sizable rental sector are associated with an ideology of collectivism and a commitment to welfare provision. Thus, the tendencies towards collectivism or privatism in a society are closely aligned with the organization of the housing system. There are a number of ways in which this alignment will manifest itself, but two are crucial: the social forms that emerge around the ownership of housing; and the spatial consequences of the dominance of one or more dwelling types (Kemeny, 1992, p. 125). Kemeny expands and refines these ideas in *From Public Housing to the Social Market* (1995). There, analyzing the rental sector, he makes a distinction between unitary rental systems[9] (collectivist ideology) and dualist rental systems (privatist ideology). In societies with a unitary rental system, market rental and social rental dwellings are subject to similar regulations, have more or less equal rent levels, and compete with each other on a single market. Societies with a dualist rental system, on the other hand, are characterized by a rental market in which the social rental and the market rental sector are strictly separate. In such societies, the social rental sector is usually relatively small, primarily destined for (very) low-income groups, and strongly controlled by the government. Table 1.2 presents the main differences between dualist rental systems and unitary rental systems. In Chapter 4 of this thesis, the background of these differences is discussed in more detail.

Kemeny underpins his theory and typology with references to the rental markets of a limited number of countries, mainly Western European (in the

9 The terms 'unitary rental system', 'unitary rental market', 'integrated rental system', and 'integrated rental market' are often used interchangeably in the housing literature, as well in as by Kemeny (1995). However, in Kemeny *et al.* (2005), a distinction is introduced between unitary rental markets and integrated rental markets. There, the former are defined as markets in which barriers to non-profit providers competing on the rental market are removed. Initially, such a rental market needs to be rather heavily regulated by the government in order to give the non-profit sector the opportunity to grow and develop. The term 'integrated rental market' is reserved for markets in which non-profit providers are sufficiently developed to be able to compete with the for-profit sector without a need for such government regulation. As such, an integrated rental market can be seen as the final stage in the development of a unitary rental market. In this thesis, this new pair of definitions is not used. The reason is that integrated rental markets as defined by Kemeny *et al.* (2005) have never existed in reality. Consequently, we use the terms 'unitary rental market' (or system) and 'integrated rental market' (or system) interchangeably throughout this book. These terms refer to the theory and typology that was developed in Kemeny's 1995 book.

Table 1.2 Features of dualist and unitary rental systems

	Dualist rental system	Unitary rental system
Political structure	Non-corporatist	Corporatist
Ideology	Privatist	Collectivist
Size of the rental sector	Relatively small	Relatively large
Competition between social rental sector and market rental sector	No direct competition between the two rental sectors	Direct competition between the two rental sectors
Rent levels	Large differences in rent level between market rental dwellings (relatively expensive) and social rental dwellings (relatively cheap)	Relatively limited differences in rent level between social rental dwellings and market rental dwellings (rents are moderate in both sectors)
Function of social rental sector	Safety net	Housing for broad segments of the population
Subsidies and regulation	Large differences between a strongly subsidized and heavily regulated social rental sector and a market rental sector with few or no subsidies and regulation	Relatively limited differences in regulation and subsidies between the social rental sector and the market rental sector
Countries (European countries only, based on Kemeny, 2006)	Norway, Belgium, Finland, Ireland, Italy, United Kingdom	Austria, Sweden, the Netherlands, Denmark, Switzerland, Germany, France

Source: Based on Chapter 4 of the thesis

form of case studies). He does not refer to the rental markets of Southern European countries, however.

1.3.4 The relationship between the theories and typologies of Esping-Andersen and Kemeny

There are quite a few similarities between the frameworks of Esping-Andersen and Kemeny. Both explain how differences in power structures and class coalitions result in different welfare state arrangements. Esping-Andersen's work actually served as the starting point for Kemeny's thinking on rental systems. Nevertheless, there is one important difference between the two frameworks: the use of the concept 'corporatism'.

According to Kemeny (1995), Esping-Andersen's definition of corporatism is rather unusual, as it relates this concept to conservative elements, notably the preservation of status differentials in society and the preferential treatment of the traditional family. Kemeny argues that the definition of corporatism is more neutral in the political sciences. There, "corporatism is a system of co-operation and compromise between capital and labour, coordinated by the State" (Kemeny, 1995, pp. 65-66). He asserts that, when so defined, corporatism applies to conservative-corporatist as well as to social-democratic welfare state regimes. Citing political theorists such as Lijphart and Crepaz (1991), Kemeny argues that power structures in the social-democratic wel-

fare state regime are as corporatist (in fact, they are even more corporatist) as the power structures in the conservative-corporatist welfare state regime. (See Chapter 2 for more information on the differing views of Kemeny and Esping-Andersen on corporatism.)

Unlike Esping-Andersen, Kemeny thus only distinguishes two main types of societies: societies with corporatist power structures (corresponding to social-democratic and conservative-corporatist welfare state regimes in the terminology of Esping-Andersen); and societies without corporatist power structures (the liberal welfare state regime in the terminology of Esping-Andersen). Consequently, Kemeny prefers to see the social-democratic and the conservative-corporatist welfare state regime of Esping-Andersen as variants of a broader overarching corporatist regime rather than as separate regime types. By extension, he suggests making a distinction between 'labor-led corporatism' and 'capital-led corporatism'. There is a compromise between the interests of labor and the interests of capital in both types, but the particular power balance between these interests differs, with labor interests being dominant in the first type and capitalist interest being dominant in the second type (Kemeny, 2006, p. 8). The differences between these two types of corporatism may also have some relevance for the organization of the housing system. Kemeny assumes that the more clearly 'labor-led' corporatism is, the bigger the share of the non-profit sector and the greater its influence on the whole rental market will be (Kemeny, 2006, p. 14).

However, regarding the organization of the rental market, the key variable is the mere presence of corporatist power structures. According to Kemeny, most corporatist societies tend toward a unitary rental system, as opposed to the non-corporatist societies that mainly have a dualist rental system.[10] Kemeny hypothesized that the rather complex constellation of forms of ownership that often characterizes the unitary rental system mirrors the interests that are – or at a crucial stage of the rental market formation have been – represented or advocated by various coalition members (Kemeny, 2006, p. 12). In polarized political systems with no corporatist structures, on the other hand, there is little interest in the compromise solutions presumed by the unitary rental system. With only two main political parties, there is less political support for different ownership forms within rental housing. Hence there is less space for the range of rental market actors that can arise when many interests must be taken into account. The result is the emergence of a dualist rental system (Kemeny, 2006, p. 11).

10 However, there are various exceptions to this 'rule'. For example countries like Norway, Finland, and Belgium have corporatist power structures but a rental market that is probably best characterized as a dualist rental system. Especially the relationship between labor-led corporatism and unitary rental systems seems to be problematic (Kemeny, 2006).

1.4 Research approach

1.4.1 Objectives and gaps

The main objective of this thesis is to assess to what extent the divergence theories and typologies of Esping-Andersen and Kemeny offer a valuable framework for explaining international differences in housing policies, housing outcomes, and housing market developments. Particular attention is paid to the position of the Southern European EU countries because these countries are often ignored in international comparative housing research. This is illustrated by the fact there are no Southern European EU countries among the nations included in the empirical analyses that underpin the theories and typologies of Esping-Andersen and Kemeny[11]. In short, the thesis attempts to make a contribution to the filling of the following two gaps in the existing body of knowledge:

1. The lack of empirical testing of the theories and typologies of both Esping-Andersen and Kemeny with regard to the field of housing;
2. The neglect of Southern European EU countries in international comparative housing research, both in theoretical and empirical terms.

1.4.2 Research questions

The objectives of the research project can be translated into the following three research questions:

1. To what extent does the divergence theory and typology of Esping-Andersen offer a valuable framework for analyzing the characteristics and the development in time of housing policies? Does the Esping-Andersen framework need some adjustment to improve its explanatory power with regard to housing policy developments?

2. To what extent do the divergence theories and typologies of Esping-Andersen and Kemeny offer a good explanation for the differences between countries with regard to measurable housing outcomes (tenure, dwelling type, housing quality, characteristics of tenants, rent levels, housing satisfaction)?

3. How do the specific characteristics of the Mediterranean welfare and housing systems express themselves in the housing policies, the housing outcomes, and the functioning of the housing market?

11 With the exception of Italy, a country that is included in the Esping-Andersen theory and typology.

Chapter 2 deals with the first research question. The second research question is answered in Chapters 3, 4, and 5. Chapters 6 and 7 deal with the third research question[12].

1.4.3 Data and methods

Different data sources and methods are used in the various chapters of this thesis. Chapter 2 is mainly based on an analysis of the literature and policy documents. The data that is analyzed in Chapters 3 to 5 comes from the European Community Household Panel (ECHP). In the ECHP survey, residents from 15 EU countries are interviewed about their work, economic situation, health, and housing situation. Since this is done uniformly across the EU-15, the ECHP is a suitable data source for international comparisons. The data is analyzed with various techniques such as descriptive statistics (data presented in the form of tables and figures), bivariate association measures, cluster analysis, and multiple regression analysis.

It should be noted that the ECHP is not an optimal data source for housing research. In particular cases, housing figures based on it have turned out to be unreliable. For some countries, the tenure distribution derived from the ECHP is slightly different from the tenure distribution in the 'official' statistics. However, these limitations did not pose an insurmountable problem, as the statistical analyses presented in subsequent chapters of this thesis were mainly exploratory.

Chapters 6 and 7 focus exclusively on the Spanish housing system (see Subsection 1.4.4 for the motivation). In these chapters, Spanish housing market data from different sources is presented in the form of tables and figures, and bivariate relationships are mapped in the form of graphs (Chapter 7). Furthermore, relevant literature sources and policy documents (most of them in Spanish) were analyzed.

1.4.4 Selection of countries

One of the most important decisions in international comparative research projects concerns the selection of countries. Since the main objective of this thesis is to test the explanatory power of the theories and typologies of Esping-Andersen and Kemeny with regard to housing it seemed logical to include all the countries that feature in the empirical underpinning of these two typologies (see the first two lines of Table 1.3). However, for reasons of data availability and feasibility, the countries that were actually selected are not

12 These chapters deal with Mediterranean housing policies and housing market developments. The housing outcomes of the Mediterranean welfare and housing systems are discussed in Chapters 3 and 5.

Table 1.3 Selection of countries

	Countries
Welfare state theory and typology of Esping-Andersen	Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, the Netherlands, New Zealand. Norway, Sweden, Switzerland, United Kingdom, United States
Rental system theory and typology of Kemeny	Austria, Norway, Sweden, the Netherlands, Denmark, Switzerland, Germany, Finland, Belgium, Japan, Ireland, France, Italy, United Kingdom, Australia, New Zealand, Canada, United States
Chapter 2	The Netherlands
Chapter 3	Denmark, Finland, Sweden, the Netherlands, Belgium, France, Italy, Austria, Germany, United Kingdom, Ireland, Spain, Portugal, Greece
Chapter 4	Austria, Denmark, The Netherlands, Belgium, Ireland, United Kingdom
Chapter 5	Two dualist rental systems: United Kingdom and Ireland) Three unitary rental systems: Austria, the Netherlands, and Denmark Three Southern European countries: Spain, Italy, and Greece
Chapter 6	Spain
Chapter 7	Spain

Sources: based on Esping-Andersen, 1990; Kemeny, 2006

entirely the same and vary per chapter, as explained below.

In Chapter 2, in which Esping-Andersen's typology is translated to the field of housing policy, the focus is exclusively on the Netherlands. (Yet the larger research project in which this chapter is embedded also includes Belgium; see Subsection 1.5.3.) It should be noted, however, that in later research projects we – colleagues at OTB and myself – have given a rather comprehensive overview of housing policies in different EU countries. So far, we have not related this overview to the typology of Esping-Andersen; this is definitely one of our ambitions for further research (see also Subsection 8.5.2).

In Chapter 3, the welfare state typology of Esping-Andersen serves as the starting point for the analysis. Since the research in this chapter is based on analyses of the European Community Household Panel (ECHP), only the European Union countries that feature in this typology could be selected. In addition to these 11 EU countries (see Table 1.3), Spain, Portugal, and Greece were selected as well. After all, one of the objectives of this research project is to assess the extent to which the theoretical framework of Esping-Andersen is relevant to Southern European housing systems.

In Chapter 4, the theoretical framework of Kemeny is subjected to an empirical test on the basis of ECHP data. For this purpose, six EU countries

that play an important role in Kemeny's rental system theory and typology were selected.

In Chapter 5, the selection of countries was also largely based on Kemeny's rental system typology. The United Kingdom and Ireland were selected as representatives of the dualist rental systems, whereas Austria, the Netherlands, and Denmark feature as representatives of the unitary rental systems. In addition to these five dualist and unitary rental systems, three Southern European countries (not included in the rental system typology) were incorporated in the analysis as well.

The subject of study in Chapters 6 and 7 is restricted to the Southern European housing system of Spain. This country was chosen because it has a very dynamic housing system and, along with Italy, it is the largest representative of the Mediterranean welfare and housing systems. In addition to this, some practical reasons (building on earlier research, speaking the language) made it logical to select Spain.

1.5 Introduction to the articles and relation with other work

1.5.1 Introduction

In the first part of this section, the six articles of the book are briefly summarized and related to the objectives and the research questions of the thesis. The second part of this section embeds these articles within the broader body of international comparative housing research that I have carried out since I started working at the OTB Research Institute for the Built Environment in 1998.

1.5.2 Introduction to the articles

Chapter 2 relates the theoretical framework of Esping-Andersen to the field of housing policy (research question 1).

Chapter 2: Housing and the welfare state in the Netherlands: an application of Esping-Andersen's typology
(Housing, Theory and Society, 2003, 20 (1), pp. 58-71)

In this article, three ideal typical housing policy regimes (social-democratic, corporatist, liberal) are deductively derived from Esping-Andersen's welfare state regime typology. Subsequently, this housing regime typology is used to interpret the changes in Dutch housing policies in the 1980s and 1990s. Based on the results of the analyses, an adaptation of the Esping-Andersen frame-

work is finally proposed.

Chapters 3 to 5 attempt to assess to what extent the theories and typologies of Esping-Andersen and Kemeny offer a good explanation for the differences between countries with regard to measurable housing outcomes (tenure, dwelling type, housing quality, characteristics of tenants, rent levels, housing satisfaction).

Chapter 3: Is there a connection between welfare state regime and dwelling type? An exploratory statistical analysis
(Housing Studies, 2005, 20 (3), pp.475-495)

This article investigates whether respectively single-family dwellings and apartments have a different 'function' (different characteristics and a different appreciation) in different welfare state regimes. As such, the article attempts to test a hypothesis of Kemeny, who states that the proportion of single-family dwellings as against apartments is strongly connected to the socio-spatial organization of society and the features of the welfare system.

Chapter 4: Two types of rental system? An empirical exploratory test of Kemeny's rental system typology
(Urban Studies, 2009, 46 (1), pp. 45-61)

In this exploratory paper, Kemeny's rental system typology (see Table 1.2) is tested against empirical housing data from the European Community Household Panel (ECHP). Doing so, the paper looks at aspects such as housing quality, income distribution of tenants, and rent levels. Three presumed unitary rental systems and three presumed dualist rental systems are included in the analysis.

Chapter 5: Home ownership and housing satisfaction
(Journal of Housing and the Built Environment, 2005, 20 (4), pp. 401-424) Co-author: Marja Elsinga

This paper explores the relationship between tenure and housing satisfaction, corrected for housing quality and other relevant variables. Three types of countries were selected for analysis: countries with a dualist rental system; countries with a unitary rental system; and the Southern European EU countries. For each group of countries, a hypothesis was formulated and tested. This paper is a joint product of Marja Elsinga and myself. Marja wrote most of the theoretical framework of the paper, whereas I was responsible for carrying out, and reporting on, the analysis of the ECHP data.

Chapters 6 and 7 show how the specific characteristics of the Mediterranean welfare and housing systems express themselves in the housing policies and the functioning of the housing market. In both chapters, this is illustrated by focusing on the Spanish case.

Chapter 6: Recent changes in Spanish housing policies: subsidized owner-occupancy dwellings as a new tenure sector?
(Journal of Housing and the Built Environment, 2005, 25 (1), pp. 125-138)
Co-authors: Iñaki Heras Saizarbitoria and Aitziber Etxezarreta Etxarri

This paper shows that the peculiar features of the Spanish housing system (preference for homeownership, affordability problems for lower- and middle-income groups,) give rise to specific policy initiatives: subsidized homeownership dwellings rather than social rental dwellings. In principle, Spanish subsidized owner-occupancy housing maintains its special status for a set number of years, during which time it cannot be sold against market prices. However, in order to prevent speculation, some Spanish regions now consider subsidized owner-occupancy housing as a separate and permanent tenure category rather than as a temporal subsidy arrangement. The background and the possible implications of this new policy perspective are discussed. While I have written most of the text of this paper, my co-authors provided a substantial part of the information on Spanish housing policies.

Chapter 7: High vacancy rates and rising house prices: the Spanish paradox
(Accepted in Tijdschrift voor Sociale en Economische Geografie)
Co-author: Cyrus Vakili-Zad

Until very recently, Spain was characterized by strongly rising house prices as well as by a long-lasting high vacancy rate. Since at first sight, this contradicts basic economic theory, we have called this 'the Spanish paradox'. This paper explores this paradox from a welfare regime perspective. While the idea for the study was proposed by Cyrus Vakili-Zad, I have taken the lead in writing and developing the article.

1.5.3 Relation with other work

The articles included in this thesis are framed within the research program of the OTB theme group 'Housing Institutions and Governance', of which I am a member. The research of this group focuses on the institutions that constitute housing systems, the way housing systems are governed, and the outcomes of housing systems. Many research projects in the theme group are in-

ternationally comparative. The OTB Research Institute for the Built Environment has a long tradition in international comparative housing research. It started in with a seminal book on housing policies in seven European countries (Boelhouwer and Van der Heijden, 1992). In the opinion of the theme group, comparing housing systems contributes to better understanding, to theory-building, and to societal debate on solutions for current housing problems.

Table 1.4 gives an overview of the publications and papers that I have produced within the research program and that are directly related to the chapters of this thesis. The table shows how the articles comprising the thesis are embedded in a broader body of international comparative research. This relationship is further amplified below.

Chapter 2 is the spin-off of a research project that was started in 1999 by Agnes Reitsma and that I took over in 2000 when Agnes left OTB. The aim of this project was to investigate the relationship between the welfare system and the housing system in both the Netherlands and Belgium. Besides the article that is included in this thesis, the project resulted in a scientific book in Dutch, two Dutch articles, and a conference paper (see Table 1.4).

Chapter 3 was initially a conference paper but became the basis for Chapter 3 and for a chapter in an edited volume. The latter contribution focuses not only on the relationship between welfare state regime and dwelling type but also on the relationship between welfare state regime and tenure. The book chapter has not been included in the thesis because of the considerable overlap with the content of Chapter 3. However, the main findings of that book chapter with regard to the relationship between welfare state regime and tenure are summarized here in Chapter 8 (Subsection 8.3.1).

Chapter 4 is an expanded developed version of a conference paper that I presented at the ENHR conference in Iceland in 2005.

Chapter 5 is the spin-off of a research project that Marja Elsinga and I carried out for the Dutch Council for Housing, Spatial Planning and the Environment (VROM-raad). The aim of this project was to gain insight into the meaning of homeownership in different countries. Apart from generating Chapter 5, this project also resulted in a Dutch report and a conference paper (see Table 1.4).

Chapter 6 describes the specific characteristics of Spanish housing policies. In particular, it focuses on subsidized homeownership dwellings in the autonomous region Basque country. I wrote this article together with Iñaki Heras Saizarbitoria and Aitziber Etxezarreta Etxarri, two researchers from the Basque country. As country experts, they were of tremendous help when I carried out contract research on Spanish housing policies (see below). Earlier versions of Chapter 6 have been published as a Dutch professional publication and a conference paper. My 'Basque connection' also made it possible to visit the Basque Institute of Competitiveness in San Sebastian as a guest

Table 1.4 Work in which the articles in this thesis are directly embedded

Chapter	Related work
2	• Hoekstra, J.S.C.M. and A.A. Reitsma (2002), De zorg voor het wonen. Volkshuisvesting en verzorgingsstaat in Nederland en België [The care for housing. Housing and the welfare state in the Netherlands and Belgium], Volkshuisvestingsbeleid en Woningmarkt 33, Delft: DUP Science. • Hoekstra, J. (2002), Housing and the Welfare State in the Netherlands. An application of Esping-Andersen's theory, paper for the ENHR 2002 conference in Vienna, Austria. • Hoekstra, J. (2002), Over verschil en convergentie in beleid. Een vergelijking tussen de Nederlandse en Belgische (Vlaamse) volkshuisvesting [About difference and convergence in policies. A comparison between the Dutch and the Belgian housing system], Ruimte en Planning, Vol. 22, No. 4, pp. 304-317. • Hoekstra, J. (2002), De zorg voor het wonen. Esping-Andersen's theorie toegepast op de Nederlandse volkshuisvesting [The care for housing. Esping-Andersen's theory applied to the Dutch housing system], Tijdschrift voor de Volkshuisvesting, Vol. 8, No. 4, pp. 58-64
3	• Hoekstra, J. and R. Goetgeluk (2003), Is there a connection between welfare state regime and dwelling type?, paper for the IAPS/ENHR/KTH 2003 conference 'Methodologies in Housing Research', Stockholm, Sweden. • Hoekstra, J.S.C.M. (2005), Connecting welfare state regimes, tenure categories and dwelling type. In Urban Vestbrø. D. Hürol Y. and N. Wilkinson (Eds.), Methodologies in housing research (pp. 222-239), Gateshead, Tyna and Wear (UK): Urban International Press.
4	• Hoekstra, J. (2005) Rental Systems in the European Union. An empirical test of Kemeny's rental system typology, paper for the ENHR 2005 conference in Reykjavik, Iceland.
5	• Elsinga, M. and J. Hoekstra (2004), De betekenis van eigenwoningbezit [The meaning of homeownership], Den Haag: VROM-raad. • Elsinga, M. and J. Hoekstra (2004), Homeownership and housing satisfaction: a study of the literature and an analysis of the European Community Household Panel. Paper for the ENHR 2004 conference in Cambridge (UK).
6	• Hoekstra, J. and I. Heras Saizarbitoria (2007), Recent changes in Spanish housing policies: subsidized owner-occupancy dwellings as a new tenure sector?, paper for the ENHR 2007 conference in Rotterdam, the Netherlands. • Hoekstra, J. (2005), Een Spaanse gesubsidieerde koopwoning: een lot uit de loterij [Getting a Spanish subsidized homeownership dwelling: it is like winning the lottery] Tijdschrift voor de Volkshuisvesting, Vol. 11, No. 5, pp. 36-41. • Meijers, E., J. Hoekstra and R. Aguado (2008), Strategic planning for city networks: The emergence of a Basque global city? International Planning Studies, Vol. 13, No.3, pp. 239-259.
7	• Hoekstra, J. and C.V. Vakili-Zad (2006), High vacancy rates and high house prices. A Mediterranean paradox, paper for the ENHR 2006 conference in Ljubljana, Slovenia.

researcher (in January and April 2008) in order to carry out research on the regional development of the Basque country (together with Evert Meijers). The latter project resulted in several publications, among which an international journal article (Table 1.4).

The idea for Chapter 7 was launched by Cyrus Vakili-Zad, who visited OTB in November 2005 to discuss the characteristics of the Mediterranean welfare and housing systems with me. During our discussions, we observed that various Mediterranean housing systems are characterized by both rising house prices and high vacancy rates, which is at odds with basic economic theo-

Table 1.5 Related international comparative research on housing policies

- Haffner, M.E.A. and J.S.C.M. Hoekstra (2004), Woonruimteverdeling in Europese context [Housing allocation in a European context], Delft: Onderzoeksinstituut OTB
- Haffner, M.E.A, and J. Hoekstra (2005), Nederlandse woonruimteverdeling in Europees perspectief [Dutch housing allocation in European perspective], Ruimte en Planning, Vol. 24, No. 1, pp. 74-83.
- Haffner, M.E.A. and J.S.C.M. Hoekstra (2006), Housing allocation and freedom of movement: A European comparison. Tijdschrift voor Economische en Sociale Geografie, Vol. 97, No. 4, pp. 443-451.
- Elsinga, M, M. Haffner, J. Hoekstra, P. Vandenbroucke, E. Buyst and S. Winters (2007), Beleid voor de private huur: een vergelijking van zes landen [Policies for the private rental sector: a comparison of six countries] Brussel: Ministerie van de Vlaamse Gemeenschap, Departement Ruimtelijke Ordening, Woonbeleid en Onroerend Erfgoed.
- Haffner, M., M. Elsinga and J. Hoekstra (2008), Rent regulation: the balance between private landlords and tenants in six European countries, European Journal of Housing Policy, Vol. 8, No. 2, pp. 217-233.
- Haffner, M., J. Hoekstra, M. Oxley and H. van der Heijden (2009), Substitutability between social and market renting in four European countries, European Journal of Housing Policy, Vol. 9, No. 3, pp. 241-258.
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ry. We decided to write a joint conference paper about this topic, using Spain and Malta as case studies. Based on this conference paper, we eventually wrote two journal contributions: an article on Spain (Chapter 7 of this thesis) and one on Malta that is still under review by a journal at the time of writing.

Related international comparative research on housing policies

Table 1.4 gives an overview of the publications in which the articles in this thesis are directly embedded. In addition to these publications, I have also conducted some international comparative research that is indirectly related to this PhD project. Together with my colleagues from the theme group 'Housing Institutions and Governance', I have collected a great deal of information on housing policies. The publications in which these studies have resulted are presented in Table 1.5. Below are some comments on the content of this table.

In 2004, in a project commissioned by the Dutch Ministry of Housing, Marietta Haffner and I carried out an international comparison of housing allocation systems in six European countries (the Netherlands, Germany, Spain, Ireland, Italy, and the United Kingdom). This project resulted in a Dutch report, an international journal article, and a Dutch professional publication.

Some years later, I took part in an international comparative study commissioned by the Flemish government. A team of Flemish and OTB researchers analyzed the policies towards the market rental sector in six European countries: Belgium, Germany, France, Spain, the Netherlands, and the United Kingdom. This project also resulted in a Dutch report, an international journal article, and a Dutch professional publication.

Because these two projects have generated a wealth of information on housing policies and housing market developments in different European countries, a team of researchers at OTB decided to start an in-depth project on the differences between the social and market rental sectors in six Euro-

pean countries (the Netherlands, Flanders, Germany, United Kingdom, Ireland, France). This project was funded by the Dutch government through the Habiforum Program for Innovative Land Use and by Delft University of Technology through the Delft Center for Sustainable Urban Areas. It resulted in an international edited book and an international journal article.

The information on housing policies that was collected in these research projects served as a context in which to interpret the differences in housing outcomes that arise from the six substantive chapters comprising this thesis. Looking ahead, I am planning to relate the available international comparative information on housing policies to the typologies of Esping-Andersen and Kemeny in a more extensive manner.

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2 Housing and the welfare state in the Netherlands
An application of Esping-Andersen's typology

Joris Hoekstra, 2003, Housing, Theory and Society 20 (1): 58-71. Reprinted with permission of Taylor & Francis.

Abstract
Esping-Andersen's theory and typology of the welfare state have been widely discussed in international comparative housing research. Most of the debate has been theoretical in nature; empirical applications of the theoretical framework are rare. We have therefore applied Esping-Andersen's typology to the housing system of the Netherlands. The results of this research project are described in this contribution.

The paper starts with an outline of the theoretical background of the research project. There follows a description of Esping-Andersen's theory of the welfare state, with its typology of three welfare state regimes. This typology is reinterpreted for the field of housing. The resulting scheme of analysis shows how various welfare state regimes differ on some important housing system aspects. The scheme of analysis is applied to the housing system of the Netherlands. Several relevant aspects of this system, such as the organisation of housing provision, subsidisation, and rent regulation, are analysed. For each of these aspects, the welfare state regime with which it can be best linked is determined. Two epochs are analysed: the 1980s and the 1990s. Consequently, the development in time of the housing system in the Netherlands can be described.

Some general conclusions are drawn concerning the applicability of Esping-Andersen's typology of welfare states to the field of housing. We propose a possible modification of this theoretical framework and outline some directions for future research.

Key words: welfare state regimes, Esping-Andersen, comparative housing research, the Netherlands

2.1 Introduction

Esping-Andersen's welfare state theory and typology have attracted considerable attention in international comparative housing research. Various researchers have discussed the position of housing within the welfare state in general and within Esping-Andersen's framework in particular[1]. Most of the debate, however, has been at a conceptual or theoretical level. Esping-

1 See Brandsen (2001), Doling (1999), Harloe (1995), Kemeny (1992, 1995, 2001), Kemeny and Lowe (1998), Kleinman (1996), and Matznetter (2002).

Andersen's work has rarely been tested, or directly related to housing practices. One exception is the study by Barlow and Duncan (1994), who relate the Esping-Andersen typology to housing production in the United Kingdom, France and Sweden. Another exception is the research of Domburg-De Rooij and Musterd (2002), investigating the relationship between welfare state regimes[2] and segregation. Nevertheless, these researchers all focus on specific elements of the housing system (the production of newly built dwellings, segregation), and not on the housing system as a whole[3].

The lack of empirical application of Esping-Andersen's theoretical framework within housing research probably results from the nature of this framework on the one hand, and the characteristics of housing on the other. Housing is not considered in the Esping-Andersen welfare state theory and typology. As a consequence, whatever it might have to say about housing systems is not clear. Moreover, the position of housing within the welfare state is far from obvious and has provoked a good deal of discussion. Some authors (for example Kemeny 1992, 2001) focus on the entanglement between the housing system and the welfare state, while others predominantly stress the private market characteristics of housing (Harloe, 1995).

In this article we concur with the vision of Kemeny and we assume that the housing system is an essential part of the welfare state. This point of departure implies that Esping-Andersen's theoretical framework can be used to explain and interpret developments within this housing system. Since we thought that some empirical evidence of the applicability of Esping-Andersen's typology would contribute to the theoretical debate, we have applied this particular typology to the housing systems of the Netherlands and Belgium (Hoekstra and Reitsma, 2002). The findings of this research project are outlined in this paper, with the restriction that only the results for the Netherlands are discussed. The article consists of eight sections (besides this introduction):

- Section 2.2 gives an outline of the theoretical background of the research project. Esping-Andersen's welfare state theory, with its typology of three welfare state regimes, is briefly discussed.
- In Section 2.3, the Esping-Andersen typology is reinterpreted for the field of housing. The resulting scheme of analysis shows how the three welfare state regimes differ on some important aspects of the housing system.
- In Sections 2.4 and 2.5, this scheme is applied to the housing system of the

2 The typology of welfare states used by Domburg-De Rooij and Musterd differs from that of Esping-Andersen.

3 Following Bourne (1981), we define housing system as follows: " ... an imprecise, but nevertheless convenient expression encompassing the full range of interrelationships between all the actors (individual and corporate), housing units, and institutions involved in the production, consumption, and regulation of housing. The term housing system is thus much broader than housing market or housing sector."

Netherlands. A distinction is drawn between two epochs: the 1980s (Section 2.4), and the 1990s (Section 2.5). The development in time of the Dutch housing system is described.
- In Section 2.6, some conclusions drawn concerning the applicability of Esping-Andersen's typology are presented.
- In Section 2.7, a possible modification of the theoretical framework is proposed (based on the analysis of the Dutch housing system in Sections 2.4 to 2.6).
- In Section 2.8, the modified theoretical framework is generalised with respect to the welfare state as a whole.
- In Section 2.9, some possible directions for further research are outlined.

2.2 The theory and typology of Esping-Andersen

According to Esping-Andersen, one should not speak of the welfare state, since different welfare states have different characteristics. Esping-Andersen argues that welfare states can be reduced to three ideal typical welfare state regimes, which differ fundamentally from each other. This has resulted in his well-known and widely used typology of welfare state regimes.

In his theory of welfare state regimes, Esping-Andersen explains how the differences between the three welfare regime types came about. As far as this is concerned, three factors were of particular importance: the way in which the mobilisation of the working class took place; the coalitions between the political parties; popular support for the conservation and expansion of the welfare state (Esping-Andersen, 1990). In this article, the welfare state typology of Esping-Andersen is used as a point of departure. It is investigated whether this typology is also applicable to the housing system of the Netherlands, which we see as a crucial part of the Dutch welfare state. The power relations and class coalitions within the Dutch housing system are not profoundly analysed (although Section 2.7 briefly pays attention to this issue). Consequently, the welfare state theory in itself is not tested and thus largely remains unproblematised. For the moment, we assume that the processes that underlie the Dutch welfare state as a whole (these processes are explained in Esping-Andersen, 1990) also apply to the Dutch housing system (but this issue definitely merits further research).

Furthermore, it's important to recognise that the Esping-Andersen typology is of ideal typical nature. Most countries will only to some extent correspond to the welfare regime they are classified in (see for example Kvist, 1999). Therefore, the typology should not be seen as an exhaustive classification system. Rather, it is an analytical device that can be used to interpret differences in welfare systems between countries.

Three welfare state regimes

The typology of Esping-Andersen makes a distinction between three welfare state regimes. Below, the most important characteristics of these three regime types are briefly discussed. We identify some countries belonging to each of the regime types. As far as this is concerned, the Netherlands is a hybrid case. According to Esping-Andersen, the Dutch welfare state has both social-democratic and corporatist characteristics.

In social-democratic welfare state regimes, the provision of welfare services is dominated by the State. There are universal welfare services of a high level, to which a large proportion of the population has access. As a result of the redistributive effects of the welfare state, income differences are relatively low. Sweden is the classic example of a social-democratic welfare state, although other Scandinavian countries also belong to this regime type.

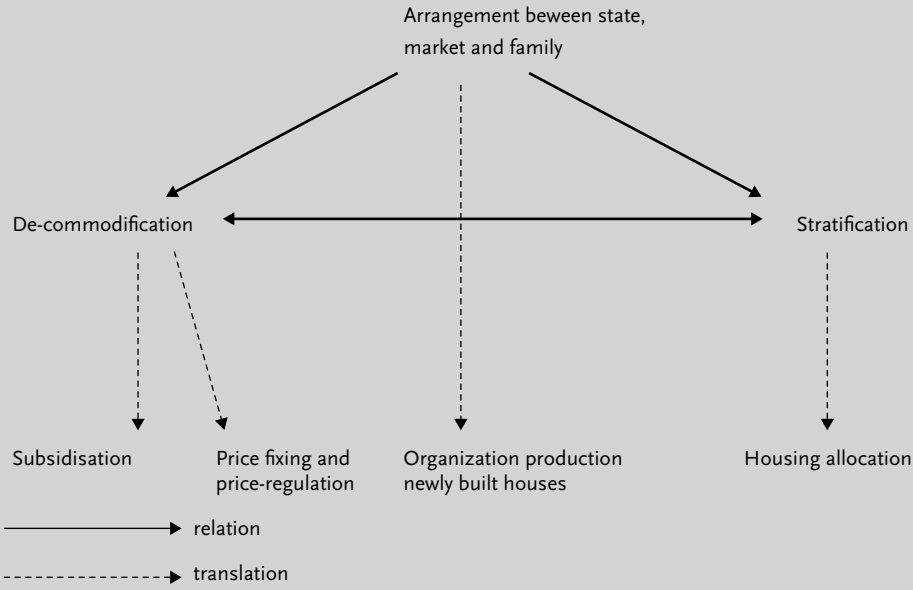
In corporatist welfare state regimes, the State is fairly active in the provision of welfare services. However, this does not lead to income redistribution, since preservation of the existing hierarchy in society is the starting-point for welfare polices at State level. Consequently, the welfare provision is segmented; different groups are entitled to different welfare services and the traditional family is often explicitly favoured. Furthermore, the State is definitely not the only provider of welfare services. In this respect, the family and private non-profit organisations (churches, trade unions, and so forth) also play an important part. Austria, Germany, Italy and Belgium are representative corporatist welfare state regimes.

The liberal welfare state regime is characterised by little State interference and a strong market orientation. Private companies are responsible for the majority of the welfare services. The State only provides help for a limited group of people with really low incomes (safety net). As a result, the society is characterised by dualism. There is equality (but also poverty) under the recipients of state welfare, while there is differentiation in income in the rest of the society. The United States, Australia and, to a lesser extent, the United Kingdom and Ireland represent liberal welfare state regimes.

2.3 The welfare state typology applied to housing

Esping-Andersen discriminates between the three welfare state regimes on the basis of three (strongly interrelated) criteria: de-commodification; stratification; the arrangements between State, market, and family. In this section, these three criteria are applied to housing and translated into four specific housing aspects, which are expected to cover an important part of the housing system. Figure 2.1 shows the relationship between Esping-Andersen's three criteria and the four aspects of the housing system to which they have

Figure 2.1 The three criteria of Esping-Andersen applied to housing



been converted.

It should be noted that the fiscal treatment of housing, which is particularly relevant for owner-occupiers, is not included in Figure 2.1. There are three main reasons for this. First of all, the fiscal policies are formulated and carried out by the ministry of finance. Consequently, they are not part of the housing policies that come under the ministry of housing and spatial planning. Second, it is very difficult to assess whether certain fiscal regulations are subsidies or not. This all depends on the definitions and benchmarks that are used (Haffner, 1999). Third, the effects of fiscal regulations can only be adequately interpreted within the context of the whole tax system. As a result of this, a sound analysis of the fiscal treatment of housing would be very labour-intensive.

De-commodification

When applied to housing, de-commodification can be defined as the extent to which households can provide their own housing, independent of the income they acquire on the labour market. Thus, governmental interference[4] is involved with the price of housing and with household incomes. The welfare state can decommodify housing not only via price regulation and production subsidies (affecting the price of housing), but also via subject subsidisation, which influences the household income (Lundqvist, 1991). The latter can involve both general income support (pensions, unemployment ben-

4 It should be noted that the State is not the only actor responsible for de-commodification, since the family can also have de-commodifying effects. However, following Esping-Andersen, we focus on the de-commodification caused by the State.

efits) and subject subsidies that are specific to the field of housing. In the research project, we have restricted ourselves to the last category. Thus, the decommodification is translated into the following two housing aspects: housing subsidisation (both object and subject subsidies), and price regulation.

Stratification

The welfare state is a system of stratification; the way in which the welfare state distributes welfare services has consequences for the hierarchy in society. In this respect, a distinction can be drawn between economic stratification and social stratification. Economic stratification refers to income distribution within a society, whereas social stratification is related to differences in social status. Social stratification can be related to economic factors (income) but also to non-economic factors such as ancestry, or occupation. In the field of housing, stratification is reflected in the process of housing allocation. Without State interference, housing allocation could be expected to be a direct reflection of the economic stratification in a society; households with the most resources would obtain the best and most expensive houses. However, the State is able to regulate the housing allocation process. Certain groups can be favoured by applying allocation rules. These State interventions can have different objectives. They can aim at increasing choice for low-income groups, but also at the preservation of status differentials.

The State, market, and family mix

Welfare services can be provided by the State (or public sector), but also by the market or the family (or household sector). The differences between State, market and family are connected with the so-called 'decision units' and the way the decisions are coordinated (Priemus, 1983). For the State, the decision units are public bodies, for the market suppliers and buyers and for the household sector small groups (households, families, friends, associations). Every sector is characterised by a specific kind of coordination of decisions. Public bodies are responsible for the decisions that are taken in the public sector (supported by laws or regulations), while the coordination of decisions in the market sector takes place on the basis of the 'market-mechanism' (with the price as an important point of orientation). In the household sector, the co-ordination of decisions occurs without financial transactions and prices, often on the basis of reciprocity.

It has to be noted, however, that the abovementioned trichotomy between State, market and family refers to an ideal typical situation. In reality there are many graduations and mixes, both with regard to the decision units and the co-ordination of decisions. First of all, it is obvious that the decision units in the State and the household sector frequently enter the market (mostly as buyers but sometimes also as suppliers). On the other hand, nowhere in the world there is a totally free market; every market is subject to government

regulations and has some informal aspects. Eventually, it is important to realise that there are decisions units that don't properly fit within one of the three sectors. In virtually every country, there are institutions that combine private (household sector and market) and public (state) interests and tasks. The Dutch housing associations are a good example of such institutions.

The relationships between State, market and family determine which welfare services are provided, how they are distributed, and for which groups they are destined. In other words, the mix between State, market, and family is decisive for the de-commodification and stratification in a country. Although Esping-Andersen is not explicit on this matter, we assume that the mix between State, market and family is superior to the de-commodification and the stratification. The specific configuration between State, market and family in a certain society then represents the essence of the welfare state. The implication is that the criteria discussed earlier in this section are in fact all influenced by this configuration. The most direct influence can be seen in the organisation of the production of newly built dwellings and the way in which actors from the public, market, and household sectors participate in this process.

Towards a scheme of analysis

We hypothesised that the four housing aspects in Figure 2.1 differentiate between the three welfare state regimes. The hypothesis led to the scheme of analysis (see Table 2.1), which we applied to the housing system of the Netherlands. The scheme of analysis was deductively constructed on the basis of the welfare state typology of Esping-Andersen[5]. This implies that the scheme is of an ideal typical nature; when constructing the scheme, developments that are specific for a particular country, (like for example the pillarisation in the Netherlands) were not taken into account. Accordingly, the scheme should be considered as a mere analytical device that can be used to make sense of empirical country data on housing. The scheme solely applies to the national level. It does not reckon with territorial differences within a certain country.

When applying the scheme to the housing system of the Netherlands, a distinction between the 1980s and the 1990s is made. According to Esping-Andersen, a country's future development depends largely on the welfare state regime type to which it adheres. It is interesting to evaluate how the Dutch housing system has developed over a longer time period against that background.

5 A more detailed underpinning of this deductive process can be found in Hoekstra and Reitsma, 2002.

Table 2.1 Differences between the housing systems of the three welfare state regimes

Criterion	Social-democratic	Corporatist	Liberal
De-commodification	• Large	• Quite large	• Low
Stratification	• Relatively low	• High, mainly based on social status	• High, mainly based on income
Mix of State, market and family	• Dominant position of the State	• Important position for the family • Considerable influence for private non-profit organizations	• Dominant position of market parties
State regulation	• Strong central government influence	• Functional decentralisation, incremental, problem-solving policies	• Relatively little State regulation (at both central and local levels)
General housing policy objectives	• Guaranteed universal high level of housing quality	• Preservation of the social stratification in society • Preferential treatment of the traditional family • Stimulation of households and other private actors to take initiatives on the housing market	• Dominant position for the market • State only supports marginal groups
Subsidisation	• Large–scale production subsidies • Subject subsidies for large target groups	• Segmented subsidies; specific arrangements for specific groups	• Means-tested subject subsidies • Few production subsidies
Price setting and price regulation	• Strong State influence on price setting and price regulation	• Moderate State influence • State regulation of prices to correct negative effects of the market	• Market determination of house prices
Housing allocation	• Allocation on the basis of need	• State intervention to correct the market • Certain groups may be favoured in the allocation process	• Market determination of housing allocation in a large part of the housing stock • Regulated allocation in a small part of the housing stock. (reserved for low-income groups)
Organisation housing provision	• Strict spatial planning • State takes initiative for the production of newly built houses	• Moderately strict spatial planning • Private actors (households, small companies) take the initiative for the production newly built houses	• No strict spatial planning • Private actors (mainly big companies) take the initiative for the production newly built houses

2.4 The Dutch housing system in the 1980s

Table 2.2 shows how the Dutch housing system of the 1980s scores on the four housing variables into which the Esping-Andersen typology has been

Table 2.2 The Dutch housing system in the 1980s, linked to the typology of Esping-Andersen

Criterion	Social-democratic	Corporatist	Liberal
Subsidisation	• Large-scale object subsidies for the production of rental dwellings *(DKP-subsidies)* • Subject subsidies for a large group of tenants *(huursubsidie)*	• Premium for buyers of newly built owner-occupied houses	
Price setting and price regulation	• State determination of the initial rent levels of subsidized newly built rental dwellings • State determination of the development of rent for all rented dwellings *(trendhuurbeleid)*	• Indirect State influence on price setting of newly built owner-occupied houses • Local anti-speculative policies	• Existing owner-occupied houses sold at market prices (if this is not prevented by local anti-speculative policies)
Organisation production of newly built houses	• Detailed land-use plans • Production of newly built subsidised rental dwellings initiated by the State	• Indirect influence exerted by the State on the production of newly built owner-occupied houses	
Allocation housing stock	• Allocation of rental dwellings according to need *(passendheids criteria)*	• Settlement in another municipality only possible if there are social and/or economic ties (not applicable in all local authorities)	• Allocation of existing owner-occupied houses and non-subsidized owner-occupied houses via the market

translated. The scoring has been based on an analysis of relevant policy documents and textbooks (notably Van der Schaar, 1991). Although the information in Table 2.2 is only indicative[6], the conclusion that the Dutch housing system of the 1980s had mainly social-democratic and corporatist traits seems to be justified.

Social-democratic characteristics

The social-democratic traits of the Dutch housing system in the 1980s relate closely to the subsidisation of the rented sector (both social and private rental). To reduce the post-war housing shortages, the State was eager to promote the production of newly built housing. Object subsidies (*DKP-subsidies*) were therefore provided on a large scale, with the aim of accelerating the production of rented dwellings. In addition, households with lower incomes could

6 The table only gives indicative information, because:
- only a limited number of elements of the four housing aspects are considered.
- not all the elements of the four housing aspects are of equal importance: this is not taken into account in the interpretation.
- relating housing aspects to welfare state regimes involves subjective choices in any case.

apply for subject subsidies. Although these kinds of subsidies are usually considered characteristic of liberal welfare state regimes (Doling, 1999, p. 161), the target group for the Dutch *huursubsidie* (rent subsidy) was so large, classifying this instrument as social-democratic seems more appropriate.

The strong State influences in the rented sector also limited the autonomy with respect to pricing policy of the landlords (housing associations, communities, or private landlords). The State determined the initial rent levels of the new rented dwellings built with the help of *objectsubsidies* (price setting). Moreover, by means of the *trendhuurbeleid* (trend in rent policy), the State also dictated the development of rents in the existing rental housing stock (both social rented and private rented).

The spatial planning was also typical of a social democratic welfare state. Local land-use plans (*bestemmingsplannen*) used strict zoning, and residential development was only possible in a limited number of areas. In the rented sector, the *passendheidscriteria*[7] (suitability criteria) were applied in the process of housing allocation. Rented dwellings were (at least partly) allocated on the basis of need: large dwellings for large households, ground floor dwellings for the elderly, and so forth. Such a method of housing allocation can be considered typical of a social-democratic welfare state.

Corporatist characteristics

In the 1980s, the influence of the Dutch government was again substantial in the owner-occupied sector. The premium house purchase regulations (*premiekoopregelingen*) were of great importance. Within the framework of these regulations, premiums were granted to certain buyers of new owner-occupied houses. Households were eligible for such premiums if certain conditions regarding the price of the house and the income of the household were met. The *premiekoopregelingen*, which were intended to facilitate access to the owner-occupied sector, can be considered typical of a corporatist welfare state regime. They were aimed at a specific group (new house buyers with an average income) and had a specific goal (making the owner-occupied sector accessible to average-income households). Because of their competitive position and the explicit stimulation exerted by the central government's housing policy, building contractors had an interest in building houses at prices below the *premiekoopregelingen* price levels. Thus, by means of the *premiekoopregelingen,* the government actually exerted an indirect influence on the production and price setting of newly built owner-occupied dwellings. Such an indirect manner of State control is characteristic of a corporatist welfare state regime.

Other corporatist elements are to be found in the housing allocation at the municipal level (which households were allowed to settle in a certain com-

7 In the private rental sector these criteria were usually less strict than in the social rented sector.

munity?). Households wanting to settle in a certain community could be asked to verify their social or economic ties to the community concerned[8]. These demands were set to preserve existing local communities – a feature of a corporatist welfare state regime. Finally, it can be noted that some local authorities applied anti-speculative policies. Given their nature (formulated at a local level, problem solving, focused at correcting the negative effects of the market), we have linked these policies to the corporatist welfare state regime.

Liberal characteristics
The Dutch housing system of the 1980s contained relatively few liberal aspects. When no anti-speculative policies were in operation, the price development of existing owner-occupied houses was regulated by the market, a situation that can be interpreted as liberal. Similarly, the market determined the housing allocation of non-subsidised newly built owner-occupied dwellings or existing owner-occupied dwellings (irrespective of any earlier subsidisation).

2.5 The Dutch housing system in the 1990s

Table 2.3 links the Dutch housing system of the 1990s to the Esping-Andersen typology. If we compare Table 2.3 with Table 2.2, the substantial changes occurring between the 1980s and the 1990s become clear. Many social-democratic elements disappeared, while the corporatist characteristics grew stronger. This change is related to changes in the national housing policy. The introduction in 1989 of the policy document *Volkshuisvesting in de jaren negentig* (Housing in the 1990s) marked a major policy turn. Decentralisation, independence and deregulation were central concepts in this document. Since 1989, the direct involvement of central government with the housing system has declined and local government authorities and private non-profit organisations such as housing associations now have more freedom and responsibility, including in financial respects (decentralisation). The role of the State has moved from direct governance to indirect governance. The State now largely confines itself to creating the conditions and formulating the policy frameworks within which local government authorities and private actors operate.

Social-democratic characteristics
In the beginning of the 1990s, the long-established large-scale object subsidies for housing production in the rented sector were abolished, as were the

8 This requirement mainly applied to local authorities in the Randstad.

Table 2.3 The Dutch housing system in the 1990s, linked to the typology of Esping-Andersen

Criterion	Social-democratic	Corporatist	Liberal
Subsidisation	• Subject subsidies for a large group of tenants *(huursubsidie)*	• Budgeted subsidies for local authorities or provinces *(BWS, BLS, ISV)*	
Price setting and price regulation	• Detailed land-use plans	• Indirect State influence on initial prices of new rental and owner-occupied dwellings • State definition of the framework within which landlords can raise rents • Local anti-speculative policies	• No rent regulation for more expensive rental dwellings • Existing owner-occupied dwellings sold at market prices
Organisation production of newly built houses		• Indirect State influence on the production of new owner-occupied and rental dwellings	
Allocation housing stock		• In principle, free settlement in all local authorities, but possible requirement of social or economic ties *(Huisvestingswet)* • Allocation of social rented dwellings via the supply model	• Allocation of new and existing owner-occupied dwellings via the market

premiums for buyers of new owner-occupied houses (*premiekoopregelingen*). With the *bruteringsoperatie* (clearout of subsidies and loans) of 1995, the government bought out all the outstanding obligations concerning object subsidies. Subject subsidisation continued, however, although the *huursubsidie* was changed in 1997. Since then, the subject subsidies for tenants aim more explicitly at support for lower-income groups, which can be seen as a development in the liberal direction. Nevertheless, linking the current Dutch rent subsidy (*huursubsidie*) to a liberal welfare state regime would be a step too far. After all, the target group for these subsidies still amounts to 800,000 households. Given this large target group, we have continued to associate the rent subsidy (*huursubsidie*) with the social-democratic welfare state regime. Spatial planning is another relatively stable aspect of the Dutch housing system. In the 1990s this planning was still fairly strict, which can be considered a feature of a social-democratic welfare state regime.

Corporatist characteristics

The object subsidies of the 1980s (*DKP-subsidies*) involved a direct money transfer from the central government to the builders and landlords of newly built rental houses. As stated above, these subsidies were abolished at the beginning of the 1990s. They were replaced by a new kind of subsidisation (involving considerably less money), whereby the central government subsidis-

es funds administered by provinces or local authorities (BWS, BLS and, since 2000, ISV). In introducing these funds, the central government sought to stimulate initiatives at regional or local levels. Within certain conditions defined by the central government, local government authorities were free to decide which new housing projects they would subsidise. That is not to say, however, that the central government lost all control. It is still the central government that defines the policy framework within which local authorities and private actors operate. Such an indirect way of exerting influence is typical of a corporatist welfare-State regime.

A similar development can be seen in the price regulation of the rental sector, where the central government has also moved towards more indirect control. Nowadays, the central government only determines the maximum rent price increase. Under this limit, landlords are free to decide their own rent price increases. For the more expensive rental houses, there is no rent regulation at all, which is a liberal characteristic.

With the cutback of the traditional (direct) object subsidies and the increased independence of the housing associations, direct central government influence on the production of rental dwellings has come to an end. Thus, an important social-democratic characteristic of the organisation of the production of newly built rental dwellings has disappeared. The influence of the central government has moved from direct to indirect. It now has a more indirect influence on the production and price setting of both new rental and new owner-occupied dwellings through its general policy framework and continuous consultation with local policymakers.

In the 1990s, Dutch housing allocation retained its corporatist characteristics. Nevertheless, the policy instruments have changed. In 1993, the *Huisvestingswet* was introduced. This Act defines the conditions for settling in a certain municipality. The *Huisvestingswet* can be considered a typical corporatist instrument. Although non-intervention is the starting-point, when local circumstances so demand (in the case of restrictive spatial policy), the Act provides the opportunity to correct the market by demanding social and economic ties. Housing allocation in the social rented sector has also been modified; many local authorities have switched to supply models (the Delft model, for example)[9]. At first sight, these supply models seem to have liberal traits (households can choose for themselves from the available supply of houses). However, this is not a free market situation, since houses are not allocated on the basis of supply and demand, but on the basis of rules agreed by the local government and the housing associations.

9 These supply models only apply to the social-rented sector. In the private-rental sector, dwellings are still allocated on the basis of the traditional system of waiting lists and income criteria.

Liberal characteristics

It was pointed out above that landlords are free to determine rent increases as long as they do not exceed the maximum set by the central government. However, this ceiling only applies to houses with a rent below €565 [10]. Landlords may increase the rents of the more expensive houses in the rental sector as they so wish. In this respect, rent regulation (or its absence) in the expensive rental sector can best be linked to the liberal welfare state regime. Other liberal elements concern the allocation and (absence of) price regulation for new and existing owner-occupied houses (except in local authorities with anti-speculative policies).

2.6 The relevance of Esping-Andersen's typology for Dutch housing

In Section 2.4, Esping-Andersen's typology was shown to be applicable to the Dutch housing system of the 1980s. According to Esping-Andersen, in that period the Dutch welfare state had both social-democratic and corporatist traits. Table 2.2 demonstrates that this hybrid nature is also visible in the housing system. For the 1990s, the application of Esping-Andersen's typology seems more problematic. The analysis (see Section 2.5) shows that the Dutch housing system lost most of its social-democratic traits in that period and became more corporatist in character. If we follow Esping-Andersen's typology, this implies that the Dutch housing system was more conservative in the 1990s than it was in the 1980s. Theoretically, this should have resulted in a segmented housing policy aiming to preserve the status differentials in society and favouring the traditional family. In reality, however, conservative principles only play a limited part in Dutch housing policy. There used to be some conservative elements in the past (reservation of newly built houses for civil servants, social and economic ties as a precondition for settling in a certain municipality, higher subject subsidies for tenants with children), but most have now been abolished, or become unimportant.

Thus, the rise of corporatism in the 1990s should be related to the changing role of the central government rather than be perceived as a conservative phenomenon. From the 1980s to the 1990s, there was a significant reduction in the direct influence of the central government on the Dutch housing system. The central government switched to a more indirect style of governance in which the central government defines the policy frameworks within which the local authorities and the private actors operate (functional decentralisation).

10 This limit applies to the period July 1, 2002-June 30, 2003.

Although this new style of governance can certainly be defined as corporatist (policy is developed in cooperation between central government, local authorities, and private actors), it has little to do with conservatism. In present-day Dutch society, with its strong individualisation and declining church influence, the view that housing policy seeks to preserve the traditional hierarchy in society cannot be sustained. In short, the corporatism that characterised the Dutch housing system in the 1990s does not correspond with corporatism as defined by Esping-Andersen. Although the Dutch housing system of the 1990s may have many corporatist traits, it does not have the conservative features of the corporatist welfare state regime described by Esping-Andersen. We have therefore distinguished a new kind of corporatism: modern corporatism.

2.7 A proposed modification of the theoretical framework

In the previous section it was shown that certain difficulties arise when Esping-Andersen's typology is applied to the Dutch housing system of the 1990s. These difficulties are mainly related to Esping-Andersen's definition of the corporatist welfare state regime. In this section, we propose a solution for these difficulties. In this connection, some of Kemeny's theoretical concepts are discussed. A possible modification of the theoretical framework is proposed on the basis of these concepts.

Kemeny's view of corporatism

According to Kemeny (1995), Esping-Andersen uses an unusual definition of corporatism, since he clearly relates this concept to conservative elements, like the preservation of status differentials in society and the preferential treatment of the traditional family. In the political sciences, the definition of corporatism is more neutral: there, corporatism is a system of co-operation and compromise between capital and labour, coordinated by the State. Following this line of thought, Kemeny comes to the following working definition of corporatism: A system of institutionalised political representation of different interest groups that is essentially founded on compromise and accommodation between conflicting power groupings – whether these be based on class, religion or ethnicity (Kemeny, 1995, pp. 65-66). Kemeny asserts that, when so defined, corporatism applies to corporatist as well as social-democratic welfare state regimes. He argues that both the continental European countries (corporatist welfare state regimes) and the Scandinavian countries (social-democratic welfare state regimes) are characterised by a political structure that is based on corporatism (in the political science definition). In the Anglo-Saxon countries on the other hand, there is little political corporat-

ism and often a dual political system (two main parties).

According to Kemeny, the Scandinavian and continental European countries differ from each other in one important aspect: the influence of the labour movement in a historical perspective. In Scandinavia, the strong position of the labour movement has resulted in a welfare state in which the central government has a dominant position and social equality is of great importance. Kemeny refers to this as labour-led corporatism. In continental Europe, however, the labour movement was less strong. As a result, private non-profit organisations played an important part in the provision of welfare services in continental Europe, and the ability to cope on one's own was strongly stimulated. Kemeny refers to welfare states of this kind by the term capital-led corporatism (Kemeny, 2001, p. 62).

A proposed modification of the theoretical framework

In our view, Kemeny's visualisation of corporatism can offer a solution for the problems mentioned in Section 2.6. If we consider social democracy as a form of corporatism, the changes undergone by the Dutch housing system from the 1980s to the 1990s become less abrupt and unexpected. They were merely ideological changes within a corporatist system. Moreover, Kemeny does not relate corporatism to conservative elements. This view supports our concept of modern corporatism, which we see as characteristic of the Dutch housing system of the 1990s.

Following Kemeny's ideas suggests, however, that the political structure criterion should have an important position in the theoretical framework. Kemeny's distinction drawn between liberal and corporatist (labour-led and capital-led corporatism) welfare states is made principally on the basis of this criterion. On the basis of our analysis of the Dutch housing system, we subdivide Kemeny's capital-led corporatism into two types: conservative corporatism, and modern corporatism. Conservative corporatism corresponds with corporatism as defined by Esping-Andersen, whereas modern corporatism refers to the style of governance found in the Dutch housing system in the 1990s. Thus, next to liberalism, we distinguish three different kinds of corporatism: labour-led, conservative, and modern. In short, we have arrived at a modified theoretical framework that differs from the original framework (see Section 2.3, Table 2.1) on the following three points:

- The political structure criterion has been added to the criteria listed in Table 2.1.
- The social-democratic welfare state regime is considered to be a specific form of the corporatist welfare state regime: labour-led corporatism.
- The corporatist welfare state regime of Esping- Andersen is subdivided into two types: a conservative corporatist welfare state regime (coinciding with Esping-Andersen's original corporatist welfare state regime) and a modern corporatist welfare state regime.

The modified theoretical framework applied to the Dutch housing system

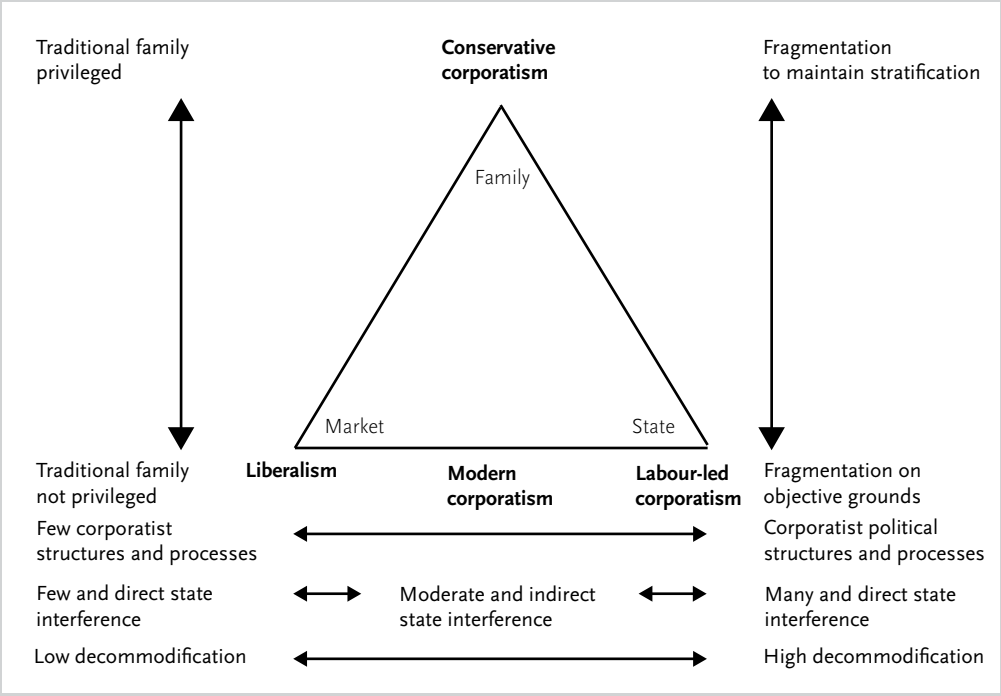
In this section, we show how the modification of the theoretical framework described in the preceding section enables a better interpretation to be made of the developments in the Dutch housing system. In the modified theoretical framework, the difference between liberal (or Anglo-Saxon) welfare state regimes on the one hand, and corporatist welfare state regimes on the other, is based on the presence of corporatist structures and processes. Thus, we first examined whether these structures and processes played a part in the Dutch housing system. We observe that the Dutch housing system has many corporatist traits. Since the beginning of the twentieth century, private non-profit organisations such as housing associations have occupied an important position in the Dutch housing system. In general terms, the configuration of relevant actors within the Dutch housing system can be said to be remarkably stable. Furthermore, the Netherlands is well known for its consensus culture, often referred to as the polder model (Boelhouwer, 2002, p. 221). This culture applies to all segments of the welfare state, including the housing system. Policy decisions concerning housing are usually only taken after extensive consultation involving all the relevant stakeholders. Consequently, we can conclude that corporatist structures and processes characterise the Dutch housing system. This conclusion applies to both the 1980s and the 1990s.

But how should corporatism in the Dutch housing system be typified? Is it labour-led, conservative, or modern? Using the Esping-Andersen typology, we considered the Dutch housing system of the 1980s to be a mixture of a social-democratic and a corporatist welfare state regime (see Section 2.4). Since the labourled welfare state regime of our modified typology largely coincides with Esping-Andersen's social-democratic welfare state regime[11], we can conclude that the Dutch housing system of the 1980s had a strong labour-led corporatist component.

The question remains, however, as to how the other part of the housing system – considered corporatist on the basis of the Esping-Andersen typology – should be interpreted. Conservative corporatism does not seem an appropriate term; conservative elements have never acquired a strong foothold in the Dutch housing system (see also Section 2.6). Closer inspection of Table 2.2 can lead us to conclude that the corporatist elements in it refer basically to three aspects: a central government exerting indirect influence, stimulation of the initiative of private actors (*premiekoopregelingen*), and correction of the observed negative effects of the free market (local antispeculative policies). These aspects all concur perfectly with our concept of modern corporatism (specified in more detail in Section 2.8). In brief, if we apply the modified theoretical framework, the Dutch housing system of the 1980s can be interpreted

11 Although Esping-Andersen does not take the social structure criterion into consideration.

Figure 2.2 A proposed new conceptual model for the welfare state



as a mixture of labour-led corporatism and modern corporatism.

In the 1990s, the central government reduced its direct influence on the housing system and confined itself to defining general policy frameworks within which private actors take their own initiatives. However, the corporatist structures within the housing system remain intact, as does the corporatist character of the policy-making process. Nonetheless, the character of the corporatism has changed. The labour-led corporatist traits of the 1980s have largely disappeared, while the modern corporatist characteristics have grown considerably stronger.

2.8 Towards a modification of the welfare state typology

The modification of the theoretical framework (Section 2.7) was constructed inductively. Certain adaptations to the original framework were proposed as a result of the problems we encountered when applying Esping-Andersen's typology to the Dutch housing system. These adaptations were partly derived from concepts defined by Kemeny. The modified theoretical framework proved to be a good basis for the interpretation of the developments within the Dutch housing system. But could the framework also be generalised to the welfare state as a whole? To answer this question, a more detailed specification of the modified theoretical framework was needed.

Table 2.4 Main characteristics of the four welfare state regimes according to the modified theoretical framework

	Labour-led corporatist	Conservative-corporatist	Modern corporatist	Liberal
De-commodification	High	Relatively high	Relatively high	Low
Influence of central government	High and direct	Quite high and often indirect	Quite high and often indirect	Low
Degree of political corporatism	Many corporatist structures and processes	Many corporatist structures and processes	Many corporatist structures and processes	Few corporatist structures and processes
Fragmentation in the provision of welfare services	Fragmentation on the basis of measurable criteria	Fragmentation on the basis of occupation and/or social status	Fragmentation on the basis of measurable criteria	Fragmentation on the basis of measurable criteria
Treatment of the traditional family in welfare policies	No preferential treatment for the traditional family	Preferential treatment for the traditional family	No preferential treatment for the traditional family	No preferential treatment for the traditional family
Role of State, market, and family in the provision of welfare services	Dominant position of the State	Important (if not dominant) position of the family	Welfare services are provided by both market and State	Dominant position of the market

A further specification of the altered theoretical framework

The main novelty of the modified theoretical framework is the distinction drawn between conservative-corporatist and modern-corporatist welfare state regimes. To clarify this distinction, there follows a discussion of some of the aspects generally considered to be characteristic of Esping-Andersen's corporatist welfare state regime (see also Matznetter, 2002, p. 275). Table 2.4 shows how the various welfare state regimes of the modified theoretical framework differ with respect to these characteristics. Figure 2.2 shows the same information in the form of a diagram, based on Evers' State-market-family triangle (1988).

In the remainder of this section, the focus is on the modern corporatist welfare state regime and the way in which this regime type differs from the other three welfare state regimes, particularly from the conservative-corporatist regime type. In the modified theoretical framework, the conservative-corporatist and the modern corporatist welfare state regime are expected to differ from each other in the following three aspects: the fragmentation in the provision of welfare services, the treatment of the traditional family in welfare policies, and the role of the family in the provision of welfare services.

Fragmentation in the provision of welfare services

Two kinds of fragmentation in the provision of welfare services can be distinguished. On the one hand, there is fragmentation aimed at favouring specific groups. Some continental European countries have a welfare system in which every occupational group has its own specific benefits. These systems can be seen as characteristic of a conservative-corporatist welfare state regime, since they aim to maintain the social stratification in society. The level of welfare services to which a person is entitled depends on the person's occupation. However, fragmentation in the provision of welfare services is not necessarily related to the preservation of stratification in society. Fragmen-

tation can also be based on objective measurable criteria, such as income. If such objective measurable criteria are applied, social status is not taken into account when the target groups for welfare services are defined. In that case, welfare services are distributed purely on the basis of (perceived) need. Fragmentation on the basis of objective measurable criteria is typical of liberal, labour-led corporatist, and modern corporatist welfare state regimes (although these regimes differ markedly from each other with regard to the perceived need for welfare services). Nevertheless, it can also occur in conservative-corporatist welfare state regimes. The treatment of the traditional family in the provision of welfare services In conservative-corporatist welfare states, the provision of welfare services is often explicitly aimed at the traditional family. Regulations tend to favour the breadwinner, or provide extra benefits for large families. Such policies can be seen as a specific form of fragmentation, supporting and maintaining the position of the traditional family in society. The similarity with the fragmentation based on occupation discussed above is strong. Both kinds of fragmentation are focused on preserving existing social structures. The conservative-corporatist regime type differs noticeably from the individually oriented labour-led, modern corporatist, and liberal welfare states regimes, where welfare services are mainly provided on the basis of individual needs and rights.

The role of the family in the provision of welfare services
In conservative-corporatist welfare state regimes, the family provides relatively many welfare services. There is a culture in which a high value is attached to the ability of traditional families to cope for themselves. This attitude is also stimulated by the welfare policies of the central government (see the previous paragraph). It is not promoted by modern corporatist welfare state regimes, where there is invariably strong individualisation. In these, the role of the family is limited and the State and the market provide the majority of welfare services. The modern corporatist regime type occupies an intermediate position between the labour-led corporatist welfare state regime (State provision of welfare services) and the liberal welfare state regime (market provision of welfare services).

2.9 Directions for further research

To a certain extent, this modified theoretical framework is speculative and should certainly not be considered as the endpoint of this study. The modified framework should be seen as a starting-point for discussion and further research. Many questions still have to be addressed before anything can be said about the validity of the adapted framework. Four such questions are:
1. The modified theoretical framework has been mainly based on an appli-

cation of the typology of Esping-Andersen. The theory that underpins this typology has not really been put to the test (although Section 2.7 briefly pays attention to the power relations in the Dutch housing system). Nevertheless, it would be of importance to fully test the theory as well. How did power relations and class coalitions shape the (Dutch) housing system? And to what extent does this correspond to the developments in the other fields of the welfare state?

2. The modified theoretical framework has only been applied to the housing systems of the Netherlands (and Belgium). In order to check its more general validity for housing, the application of the framework should be extended to the housing systems of other countries. Such an extension to other countries could also shed light on the more general trends within Europe. Do the housing systems of the various countries converge or diverge?
3. The modified theoretical framework is predominantly based on an analysis of the Dutch housing system; the developments within this system have been generalised to the welfare state as a whole. Whether this generalisation is valid is not yet clear, however. The question arises; does the modified theoretical framework also apply to other segments of the welfare state, such as social insurance, pensions, health care, or education? Research on this issue is needed.
4. The developments in the housing system can be studied from various perspectives. Confronting the modified theoretical framework with theories from the various perspectives would be interesting. What, for example, is the relationship between new corporatism and new public management?

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3 Is there a connection between welfare state regime and dwelling type?
An exploratory statistical analysis

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Abstract
This exploratory paper tests whether there is a relationship between the nature of a particular society (represented by its welfare state regime), and the characteristics and appreciation of the single-family dwellings and the apartments within this society. In order to grasp differences in the nature of societies, the study uses the welfare state typology of Esping-Andersen (with the addition of a Mediterranean welfare state regime). In this (adapted) typology, four different welfare state regime types are distinguished: a social-democratic welfare state regime, a corporatist welfare state regime, a liberal welfare state regime and a Mediterranean welfare state regime. Different statistical techniques are used to investigate the relationship between welfare state regime type and dwelling type. First, a number of bivariate tables are presented that indicate how the incidence, tenure category, quality and the appreciation of single-family dwellings compared to apartments differ between welfare state regimes. Subsequently, there is an analysis of the bivariate relations between these aspects. To find out whether the typology of Esping-Andersen really is a useful classification system with regard to the characteristics and appreciation of single-family dwellings as against apartments, a cluster analysis is conducted. The clusters that result from this analysis are interpreted and compared with the typology of the four welfare state regimes. Based on the results of these statistical analyses, some conclusions are drawn and some directions for further research are outlined.

Key words: Welfare state regimes, dwelling types, international comparative housing research

3.1 Introduction

Recently, there has been much interest in international comparative research on the 'meaning' of various housing aspects. Different scholars have analysed cross-national differences in the meaning of home (Arias, 1993), the meaning of homeownership (Mandic & Clapham, 1996) or the meaning of housing design (Ozaki, 2002). However, little attention has been paid to the meaning of dwelling type. This is rather curious because at first sight there seems to be a clear connection between the incidence and function of the various dwelling types and the nature of a society.

In the Netherlands, for example, 3 in 10 dwellings are apartments. Seen from this frame of reference, Dutch people who travel to Southern Europe are often amazed by the large number of apartments found in the region. Whereas most Dutch newly-built houses are single-family dwellings, new housing areas in Southern Europe are usually characterized by a large proportion of apartments, typically built in relatively small building blocks.

A Dutch traveller to the English-speaking New World countries (USA, Canada, Australia and New Zealand) will also observe important differences between his or her homeland. Outside the central parts of the larger cities, the residential areas of these countries are mainly characterized by detached dwellings in a spacious and green suburban setting. In the Netherlands, where terraced houses are the dominant dwelling type, such residential environments are relatively scarce and only affordable for households with high incomes.

The international differences in the incidence of the various dwelling types has also been noted by Kemeny who has compared the housing systems of social-democratic Sweden and liberal Australia (Kemeny, 1981, 1992). Kemeny makes a distinction between housing systems with a collectivist ideology and housing systems with a privatist ideology. He associates advanced industrial homeownership dominated societies with an ideology of privatism and a residualization of welfare, whereas advanced industrial societies that are dominated by rental tenure are associated with an ideology of collectivism and a commitment to welfare provision. Within the housing system, the tendencies towards collectivism and privatism manifest in two important respects: the social forms that emerge around the ownership of housing and the socio-spatial consequences of the dominance of one or more dwelling types (Kemeny, 1992, p. 125).

As far as the latter aspect is concerned, Kemeny states that the differences between the spatial organization of modern urbanized societies in terms of the proportion of detached houses as against apartments are quite dramatic:

> The difference this makes to the socio-spatial organization of the cities of these countries is profound, yet almost unresearched. The differences, in terms of 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-labor 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 organization of everyday life and perhaps the provision of welfare. This fact alone could possibly constitute the basis for understanding some important differences between industrial societies (Kemeny, 1992, p. 124).

In connection with the above statement, the aim of this paper is to investi-

gate whether there is a relationship between the nature of a particular society (represented by its welfare state regime), and the characteristics and the appreciation of respectively the single-family dwellings and the apartments within this society. The paper deliberately refers to characteristics' and 'appreciation' and not meaning, because the concept 'meaning' is much more comprehensive than the former two concepts. Obtaining real insight into the meaning of the various dwelling types requires more profound research. In order to grasp differences in the nature of societies, the study uses the welfare state typology of Esping-Andersen (with the addition of a Mediterranean welfare state regime). In this (adapted) typology, four different welfare state regime types are distinguished: a socialdemocratic welfare state, a corporatist welfare state, a liberal welfare state and a Mediterranean welfare state.

There are two main reasons for applying the Esping-Andersen welfare state typology. First, Kemeny's theoretical work, which forms the starting point for this paper, does not provide a comprehensive classification of EU countries, thus making it less suitable for conducting EU-wide comparative research (which is the aim of this contribution). Therefore, it was decided to use the welfare state typology of Esping-Andersen as an alternative. Although they focus on different aspects (Esping-Andersen focuses on social services and labour market issues whereas Kemeny mainly pays attention to housing), and have a slightly different vision on some concepts, Kemeny's and Esping-Andersen's work have many things in common. However, there is one important difference. Whereas Kemeny's work is mainly of a conceptual nature, Esping-Andersen has empirically underpinned his theory. On the basis of statistical analyses, he has classified a number of Western countries according to the characteristics of their welfare state. This classification serves as the basis for the analyses that are carried out in this paper.

Furthermore, there is also a more theoretical reason for using Esping-Andersen's welfare state typology. In international comparative housing research, this typology has attracted considerable attention. Various researchers (Brandsen, 2001; Harloe, 1995; Matznetter, 2002) have discussed the position of housing within the welfare state in general and within Esping-Andersen's framework in particular. Most of the debate, however, has been at a conceptual or theoretical level. Esping-Andersen's work has rarely been tested or directly related to housing practices (Hoekstra, 2003, p. 58). Confronting the welfare state typology with international comparative dwelling type related data might thus shed a new light on the applicability of Esping-Andersen's work to the field of housing.

The differences between the four welfare state regimes that are used in this paper are briefly described in the next section. The following section elaborates on the data and the research methods. The empirical results of the analysis are then presented in three sections. The fourth section describes a number of tables that indicate how the characteristics and appreciation of

single-family dwellings compared to apartments differ between EU countries. This is followed by a systematic analysis of the bivariate relations between the variables that were used in the fourth section, and a cluster analysis is conducted after this. The final section contains a conclusion and outlines some directions for further research.

3.2 The Welfare State Typology of Esping-Andersen

According to Esping-Andersen, reference should not be made to 'the welfare state', since different welfare states have different characteristics. Esping-Andersen argues that welfare states can be reduced to three ideal typical welfare state regimes, which differ fundamentally from each other on aspects such as 'degree of decommodifcation', 'social stratification' and the 'mix between state, market and family' (Esping-Andersen, 1990).

The three Welfare State Regimes of Esping-Andersen

In 'social-democratic welfare state regimes', the provision of welfare services is dominated by the state. There are universal welfare services of a high level, to which a large proportion of the population has access. As a result of the redistributive effects of the welfare state, income differences are relatively low. Sweden is the classic example of a social-democratic welfare state, although the other Scandinavian countries and the Netherlands[1] also belong to this regime type.

In 'corporatist welfare state regimes', the state is fairly active in the provision of welfare services. However, this does not lead to income redistribution, since preservation of the existing hierarchy in society is the starting point for welfare policies at state level. Consequently, the welfare provision is segmented; different groups are entitled to different welfare services and the nuclear family is often explicitly favoured. Furthermore, the state is definitely not the only provider of welfare services. In this respect, the family and private non-profit organizations (churches, trade unions, etc.) also play an important part. Austria, Germany, France, Italy and Belgium are representative corporatist welfare state regimes.

The 'liberal welfare state regime' is characterized by little state interference and a strong market orientation. Private companies are responsible for the provision of the majority of the welfare services. The state only provides help for a limited group of people with really low incomes (safety net). As a result,

1 The position of the Netherlands is not very clear because this country has both social-democratic and corporatist characteristics.

the society is characterized by dualism. There is equality (but also poverty) under the recipients of state welfare, while there is income differentiation in the rest of the society. The US, Australia and, to a lesser extent, the UK and Ireland represent liberal welfare state regimes.

The position of Southern Europe

In the original typology of Esping-Andersen, the Southern European countries were not considered (with the exception of Italy, which was classified as a corporatist welfare state regime). As a reaction to this omission, different researchers (Barlow & Duncan, 1994; Leibfried, 1992) have proposed the formulation of a new welfare state regime for the Southern European countries, using various names (rudimentary welfare state regime, Latin Rim regime) to indicate this regime type. The study here uses the term 'Mediterranean welfare state regime' because this is how Esping-Andersen (1999, p. 139) refers to this welfare regime type.

The Mediterranean welfare state regime has some similarities with the liberal model; the state provides few welfare services and there is no history of full employment policies. However, different from liberal welfare states, the provision of welfare services is not dominated by market parties but by the family. There is a strong degree of familialism, which implies that a disproportionately large part of the welfare tasks are carried out within the family, without much interference of the market or state (Barlow & Duncan, 1994, p. 30). Greece, Portugal and Spain are examples of countries that belong to the Mediterranean welfare regime type.

It can be expected that the Mediterranean welfare state regime will also have specific housing outcomes. For example, in his description of Spanish housing policy, Donner (2000, p. 221) observes that the specific features of the Spanish family life have a strong influence on housing markets. He concludes that the pervading interdependence and multifaceted help that is given and received within wider family structures, enables people to cope with economic crises caused by unemployment and illness and provides access to temporary or even long-term accommodation owned by other family members.

In his later work, Esping-Andersen (1999) has acknowledged the great importance of familialism in the Southern European countries. Nevertheless, since the corporatist welfare state regimes are also fairly familialistic, Esping-Andersen prefers to consider the Mediterranean welfare state regime as some kind of sub-regime of the corporatist welfare state regime (Esping-Andersen, 1999, p. 94). However, in this paper the Mediterranean welfare state regime is treated as a separate regime type.

Four Welfare State Regimes: An overview table

The most relevant features of the welfare state regime typology used in this paper are shown in Table 3.1. It is important to recognize that the typology is

Table 3.1 A typology of welfare state regimes

	Liberal welfare state regime	Social-democratic welfare state regime	Corporatist welfare state regime	Mediterranean welfare state regime
Decommodification	Low	High	Relatively high	Low
Stratification	High, mainly based on income	Low	Relatively high, mainly based on social or occupational status	Relatively high, mainly based on social or occupational status
Arrangement between state, market and family	Dominant position of market parties	Dominant position of the state	Important position for the family, considerable influence for private non-profit organizations	Dominant position for the family
Countries (EU-countries only)	UK, Ireland	The Netherlands, Denmark, Sweden, Finland	Belgium, Germany, France, Austria, Italy	Greece, Portugal, Spain

of ideal typical nature. Most countries will only correspond to the welfare regime they are classified in to some extent. Moreover, other typologies or subdivisions within the current typology would have been possible. Consequently, the typology should not be seen as an exhaustive classification system. It is merely an analytical device that can be used to make sense of differences between countries.

3.3 Methods and data

Research methods

Using a particular theoretical framework usually also means formulating hypotheses. This implies that the typology of Esping-Andersen should be applied to the field of housing, which should result in a number of hypotheses that indicate how the characteristics and the appreciation of single-family dwellings compared to apartments differ between the various welfare state regimes. However, this exploratory paper refrains from this 'classical' deductive process, for reasons that are outlined below.

According to Rapoport (2001), it is not very worthwhile to directly connect a general and abstract concept, such as welfare state regime, to something more concrete such as the characteristics and appreciation of different dwelling types. Rapoport argues that a stepwise approach should be followed instead. First, there should be an investigation of how the nature of a particular society reflects itself in both physical and non-physical concepts such as values, specific institutions, policies, rules, lifestyles, meanings etc. Subsequently, these concepts should be related to concrete aspects of the built environment, in the case of this paper the characteristics and appreciation of single-family dwellings compared to apartments. However, such a stepwise approach can only be followed if the researcher has some theoretical notions concerning the relevance and nature of the various steps. Which concepts at the intermediate level adequately reflect the differences between welfare state regimes? How can these concepts be linked to international differences in the characteristics and appreciation of the various dwelling types?

Unfortunately, such theoretical notions are insufficiently available. As far as is known, there is no real theory development on the way in which the characteristics of a particular welfare state regime can be linked to the characteristics and appreciation of single-family dwellings as against apartments.

For that reason, an exploratory and inductive approach was chosen for this study. The paper investigates whether the characteristics and appreciation of single-family dwellings compared to apartments differ between the various welfare state regimes. Do the welfare state regime characteristics of a particular society really matter with regard to dwelling type? If the answer to this question is positive, the relations between welfare state regime and dwelling type need to be investigated in more detail, following the stepwise approach advocated by Rapoport.

Data

All the data used in this paper come from the European Community Household Panel (ECHP). In the ECHP survey, residents from all the EU countries (15) are interviewed about their work, economic situation, health and housing situation. Since this is done in a uniform way (the same questions are asked in all EU countries), the introduction of the ECHP has opened up new possibilities for international comparative housing research. The sample sizes of the ECHP range from 1757 households in Ireland to 5680 households in Italy. The ECHP data used in this paper refer to the years 2000 (some figures for Sweden and the UK) and 2001 (all other figures).

3.4 Results

This section examines whether the incidence, tenure category, quality and the appreciation of single-family dwellings compared to apartments differ between the four welfare state regimes that were outlined earlier.

The share of single-family dwellings and apartments

Figure 3.1 shows the proportion of single-family dwellings (detached, semi-detached or terraced dwellings) and apartments in 14 of the 15 EU countries (Luxembourg is not included because it has not been classified in the Esping-Andersen typology). Figure 3.1 shows that the countries within the liberal welfare state regime (UK, Ireland) have a lower proportion of apartments than the countries that belong to one of the other three welfare state regimes. As far as the latter group is concerned, the variation within the various welfare state regimes is bigger than the variation between these regimes. In particular, there are considerable differences between the countries that belong to the corporatist and the Mediterranean welfare state regime types.

Figure 3.1 Proportion of apartments and single-family dwellings in 14 EU countries in 2000 (Sweden) and 2001 (all other countries)

Sources: European Commission, Eurostat, European Community Household Panel (ECHP) 2000 and 2001 (UDB)

Dwelling type and tenure

Table 3.2 gives an insight into the relationship between dwelling type and tenure category in the various EU countries. The table shows that in all EU countries, single-family dwellings are more often owner occupied than apartments. A chi-square test indicated that this relationship is statistically significant ($p < 0:01$) for all countries in the table, which is not surprising given the large sample sizes. However, Table 3.2 also shows that the strength of the relationship between dwelling type and tenure category differs between countries and welfare state regimes. In order to quantify this relationship, the study used the measure of association Kendall's tau b. Kendall's tau is well known as a measure of correlation between two sets of rankings. Nonetheless, it may be adapted for the general r x c contingency table having ordered categories by regarding the table as a way of displaying the ranking of the n

cases according to two variables, for one of which only r (number of rows) separate ranks are distinguished and for the other of which only c (number of columns) separate ranks are distinguished (Everitt, 1977, p. 67). Thus, while interpreting the Kendall's tau parameters, the two nominal variables that play a role in the analysis (dwelling type and tenure category), should be seen as ordinal variables with two rankings. Kendall's tau can have values between -1 (perfect negative correlation) and +1 (perfect positive correlation). However, apart from the extreme values, it should be noted that Kendall's tau does not have an obvious probabilistic interpretation, which means that the tau parameters cannot be interpreted in terms of probabilities or errors in prediction (Everitt, 1977, p. 63).

An inspection of the tau parameters shows that there is a clear divide between Spain, Portugal, Greece and Italy (tau parameters lower than 0.23) and the other EU countries (tau parameters-values ranging between 0.36 and 0.62). In the four Southern European countries, with the exception of Italy all belonging to the Mediterranean welfare state regime, the percentages of owner occupied and rental dwellings do not differ very much between single-family dwellings and apartments. In the rest of the EU, however, apartments are mainly rented, whereas single-family dwellings are predominantly owner occupied. As far as this is concerned, there do not seem to be clear differences between (countries belonging to) the social-democratic, corporatist and liberal welfare state regimes.

Dwelling type and quality of the dwelling

The ECHP contains a number of variables that can be used to measure the quality of dwellings. With regard to this, two aspects have been examined: the condition of the dwelling and the size of the dwelling (number of rooms). For both aspects, a separate table is constructed.

Condition of the dwelling

With regard to the condition of the dwelling, the following five variables have been analysed:

- presence of light (is the accommodation too dark?);
- presence of heating facilities (does the accommodation have lack of adequate heating facilities?);
- condition of the roof (does the accommodation have a leaky roof?);
- presence of humidity problems (does the accommodation have damp walls, floors, foundations etc.…?);
- presence of putrefaction (does the accommodation have rot in window frames or floors?).

It is realized that the concept 'condition of the dwelling' is much broader than just these five variables. However, for the aim of this paper (comparing the

Table 3.2 The relationship between dwelling type and tenure category in 2000 (Sweden) and 2001 (all other countries)

	Single-family dwelling	Apartment	Total
Denmark (tau b = 0.57)			
Owner occupied	86	28	68
Rented	14	72	32
Total	100 (n=1442)	100 (n=651)	100 (n=2093)
Finland (tau b = 0.43)			
Owner occupied	86	46	69
Rented	14	54	31
Total	100 (n=1654)	100 (n=1263)	100 (n=2917)
Sweden (tau b = 0.61)			
Owner occupied	89	29	60
Rented	11	71	40
Total	100 (n=2899)	100 (n=2736)	100 (n=5635)
The Netherlands (tau b = 0.44)			
Owner occupied	70	22	57
Rented	30	78	43
Total	100 (n=2928)	100 (n=1179)	100 (n=4107)
Belgium (tau b = 0.45)			
Owner occupied	84	33	75
Rented	16	67	25
Total	100 (n=1844)	100 (n=414)	100 (n=2258)
France (tau b = 0.50)			
Owner occupied	81	31	64
Rented	19	69	36
Total	100 (n=3339)	100 (n=1815)	100 (n=5154)
Italy (tau b = 0.17)			
Owner occupied	85	70	77
Rented	15	30	23
Total	100 (n=1994)	100 (n=3159)	100 (n=5103)

quality of single-family dwellings as against apartments) these variables are useful because they are not tied to a particular dwelling type (for example, variables such as 'presence of a garden' would be less suitable because apartments almost never have a garden). The five variables have been integrated into one variable that shows how many of the questions mentioned above have been answered with 'yes'.

Table 3.3 shows the averages and standard deviations for this new variable. First, it can be concluded that there are important differences between countries with regard to the condition of the dwelling. In general, Finnish dwellings are in the best condition, whereas Portuguese dwellings have the highest average number of problems. However, the prime interest is in the quality differences between single-family dwellings and apartments within one particular country, expressed by the ratio of the average number of problems in each of these two dwelling types (RANOP).

An inspection of this ratio makes clear that in most countries the general condition of single-family dwellings is better than that of apartments. Greece, Portugal, Spain and, to a lesser extent, Belgium are exceptions to this rule. In

	Single-family dwelling	Apartment	Total
Austria (tau b = 0.62)			
Owner occupied	84	22	55
Rented	16	78	45
Total	100 (n=1198)	100 (n=1101)	100 (n=2299)
Germany (tau b = 0.58)			
Owner occupied	72	15	42
Rented	28	85	58
Total	100 (n=2219)	100 (n=2437)	100 (n=4656)
United Kingdom (tau b = 0.36)			
Owner occupied	80	36	72
Rented	20	64	28
Total	100 (n=3623)	100 (n=745)	100 (n=4368)
Ireland *			
Owner occupied	84	*	*
Rented	16	*	*
Total	100 (n=1641)	*	*
Spain (tau b = 0.12)			
Owner occupied	90	82	85
Rented	10	18	15
Total	100 (n=1987)	100 (n=2955)	100 (n=4942)
Portugal (tau b = 0.17)			
Owner occupied	73	57	68
Rented	27	43	32
Total	100 (n=2848)	100 (n=1505)	100 (n=4353)
Greece (tau b=0.23)			
Owner occupied	93	76	85
Rented	7	24	15
Total	100 (n=1945)	100 (n=1876)	100 (n=3821)

Note: dwelling type: 1 = single-family dwelling, 2 = apartment; tenure category: 1 = owner occupied, 2 = rental.

*Due to the small number of cases, Eurostat does not allow publication of these figures.

Source: European Commission, Eurostat, European Community Household Panel (ECHP) 2000 and 2001 (UDB)

the latter countries, apartments generally are in better condition than single-family dwellings. Thus, also on this variable, the Mediterranean welfare state regime seems to distinguish itself from the other three welfare state regimes.

Size of the dwelling

The European Community Household Panel does not contain information on the surface area of the dwelling. However, there is an ECHP variable that measures the number of rooms. Table 3.4 shows the average number of rooms (kitchen not included, dwellings with more than six rooms are counted as having six rooms) in single-family dwellings and apartments in 14 EU countries. In order to gain an insight into the relative position of both these dwelling types, the ratio of the average number of rooms in single-family dwellings and the average number of rooms in apartments (RANOR) was also calculated.

As far as this ratio is concerned, the table clearly shows a distinction between the Southern European countries (Spain, Portugal, Greece and Italy) and the rest of the European Union. In the former countries, RANOR is

Table 3.3 Average number of problems concerning the condition of single-family dwellings and apartments, and the ratio of these averages, in 12 EU countries

	Single-family dwellings	SD	Apartments	SD	Single-family dwellings / apartments (RANOP)
Denmark	0.17 (n = 1441)	0.51	0.25 (n = 647)	0.65	0.68
Finland	0.11 (n = 1654)	0.41	0.11 (n = 1263)	0.38	1.00
The Netherlands	0.25 (n = 2929)	0.59	0.44 (n = 1177)	0.82	0.57
Belgium	0.32 (n = 1837)	0.73	0.29 (n = 414)	0.63	1.10
France	0.42 (n = 3339)	0.84	0.49 (n = 1815)	0.84	0.86
Italy	0.34 (n = 1942)	0.72	0.43 (n = 3154)	0.89	0.79
Austria	0.20 (n = 1196)	0.69	0.25 (n = 1103)	0.66	0.80
UK	0.27 (n = 3621)	0.63	0.35 (n = 744)	0.72	0.77
Ireland	0.21 (n = 1638)	0.68	(0.41) (n = 48)*	1.00	0.51
Spain	0.49 (n = 1984)	0.85	0.35 (n = 2952)	0.70	1.40
Portugal	1.37 (n = 2848)	1.60	0.72 (n = 1504)	1.21	1.90
Greece	0.81 (n = 1946)	1.21	0.27 (n = 1875)	0.73	3.00

*According to the regulations of Eurostat, figures that refer to 20 to 49 observations need to be shown in brackets.

Source: European Commission, Eurostat, European Community Household Panel (ECHP), 2001 (UDB)

Table 3.4 Average number of rooms in single-family dwellings and apartments, and the ratio between these averages, in 14 EU countries, 2000 (Sweden) and 2001 (all other countries)

	Single-family dwellings	SD	Apartments	SD	Ratio single-family dwellings / apartments (RANOR)
Denmark	4.50 (n = 1442)	1.15	2.93 (n = 651)	1.12	1.54
Finland	3.84 (n = 1654)	1.46	2.19 (n = 1263)	0.97	1.75
Sweden	4.50 (n = 2923)	1.22	2.51 (n = 2751)	1.05	1.79
The Netherlands	5.11 (n = 2929)	0.93	3.67 (n = 1178)	1.18	1.39
Belgium	4.47 (n = 1836)	1.26	3.13 (n = 414)	1.02	1.43
France	4.55 (n = 3175)	1.11	3.14 (n = 1714)	1.16	1.45
Italy	3.89 (n = 1932)	1.19	3.37 (n = 3149)	1.04	1.15
Austria	4.79 (n = 1195)	1.21	3.20 (n = 1103)	1.13	1.50
Germany	4.39 (n = 2176)	1.37	2.76 (n = 2369)	1.02	1.59
UK	4.60 (n = 3623)	1.08	2.79 (n = 744)	0.97	1.65
Ireland	4.79 (n = 1625)	1.06	3.43 (n = 42)	1.38	1.40
Spain	4.69 (n = 1987)	1.05	4.12 (n = 2954)	0.89	1.14
Portugal	3.99 (n = 2990)	1.15	3.65 (n = 1504)	0.95	1.09
Greece	3.20 (n = 1946)	1.05	3.08 (n = 1875)	0.92	1.04

Source: European Commission, Eurostat, European Community Household Panel (ECHP) 2000 and 2001 (UDB)

only slightly higher than one, which indicates that with regard to the average number of rooms, there are no big differences between single-family dwellings and apartments. For the other EU countries, RANOR ranges between 1.39 (The Netherlands) and 1.79 (Sweden), indicating that single-family dwellings generally have many more rooms than apartments.

Table 3.5 Average satisfaction with the housing situation of respondents in single-family dwellings and apartments and the ratio of these averages, in 12 EU countries, 2000 (UK) and 2001 (all other EU countries)

	Single-family dwellings	SD	Apartments	SD	Ratio single-family dwellings / apartments (RASH)
Denmark	5.26 (n = 1439)	0.85	4.76 (n = 646)	1.22	1.11
Finland	4.96 (n = 1628)	0.94	4.65 (n =1251)	1.15	1.07
The Netherlands	5.12 (n = 2929)	0.87	4.62 (n = 1178)	1.23	1.11
Belgium	4.98 (n = 1802)	1.02	4.48 (n = 399)	1.37	1.11
France	4.85 (n = 3190)	0.81	4.46 (n = 1714)	1.10	1.09
Italy	4.43 (n = 1936)	1.18	4.10 (n = 3133)	1.24	1.08
Austria	5.33 (n = 1197)	0.91	5.08 (n = 1102)	1.11	1.05
UK	5.22 (n = 3608)	1.14	4.78 (n = 761)	1.44	1.09
Ireland	4.99 (n = 1603)	1.20	(4.17) (n = 48)	1.34	1.20
Spain	4.52 (n = 1970)	1.14	4.48 (n = 2940)	1.15	1.01
Portugal	3.96 (n = 2844)	1.12	4.20 (n = 1504)	1.02	0.94
Greece	3.82 (n = 1944)	1.16	4.09 (n = 1866)	1.08	0.93

Source: European Commission, Eurostat, European Community Household Panel (ECHP), 2000 and 2001 (UDB)

Dwelling type and housing satisfaction

Whereas previous sections have dealt with the characteristics of single-family dwellings compared to apartments, this section discusses the appreciation of both these dwelling types. The appreciation of the various dwelling types can be measured by analysing the resident's housing preferences (which dwelling type is most preferred, all other things being equal?) or the housing satisfaction of residents who already live in a particular dwelling type. The ECHP only contains information on the latter aspect. In the ECHP survey, the housing satisfaction is measured by the variable 'satisfaction with the housing situation'. This variable ranges from 1 (totally dissatisfied) to 6 (totally satisfied). Table 3.5 shows how the average satisfaction with the housing situation differs between residents of single-family dwellings and residents of apartments. Unfortunately, Table 3.5 does not contain data for Sweden, Germany and Luxembourg. This is a pity, because the first two countries are generally considered as archetypical representatives of the social-democratic and the corporatist welfare state regime, respectively. Nevertheless, the Table still contains enough social-democratic and corporatist countries to be able to draw conclusions on both these regime types.

Additionally in Table 3.5, a ratio (RASH) was calculated. At first sight, the international differences in this ratio do not seem to be very marked. However, on closer examination the table shows an already familiar pattern, with rather obvious differences between the Southern European EU countries and the rest of the European Union. In Southern Europe (with the exception of Italy), RASH is about 1 (Spain) or slightly lower than 1 (Portugal and Greece). This implies that in these countries, residents in apartments are generally somewhat more satisfied with their housing situation than residents in single-family dwellings. In the rest of the European Union, however, it is the other way round.

Table 3.6 Bivariate relationships between the relevant variables (Kendall's tau b or c) in 12 EU countries

Bivariate relation	DK	SF	NL	B	F	I	A	UK	IRL	E	P	GR
Dwelling type: tenure category	0.57*	0.43*	0.44*	0.45*	0.50*	0.17*	0.62*	0.36*	0.26*	0.12*	0.17*	0.23*
Dwelling type: number of problems	0.04*	0.01	0.09*	0.01	0.06*	0.04*	0.06*	0.03*	0	-0.06*	-0.22*	-0.26*
Dwelling type: number of rooms	-0.55*	-0.61*	-0.52*	-0.34*	-0.55*	-0.24*	-0.64*	-0.43*	-0.06*	-0.30*	-0.16*	-0.07*
Dwelling type: housing satisfaction	-0.19*	-0.14*	-0.18*	-0.12*	-0.17*	-0.14*	-0.13*	-0.10*	-0.04*	-0.02	0.11*	0.13*
Tenure category: number of problems	0.06*	0.04*	0.15*	0.11*	0.18*	0.11*	0.10*	0.10*	0.08*	0.07*	0.32*	0
Tenure category: number of rooms	-0.58*	-0.53*	-0.52*	-0.34*	-0.47*	-0.23*	-0.63*	-0.44*	-0.29*	-0.11*	-0.27*	-0.13*
Tenure category: housing satisfaction	-0.21*	-0.24*	-0.27*	-0.21*	-0.28*	-0.22*	-0.15*	-0.15*	-0.22*	-0.10*	-0.34*	-0.07*
Number of problems: number of rooms	-0.03*	0	-0.06*	0	-0.09*	-0.08*	-0.06*	-0.03*	-0.09*	-0.04*	-0.14*	-0.09*
Number of problems: housing satisfaction	-0.11*	-0.05*	-0.12*	-0.15*	-0.18*	-0.16*	-0.15*	-0.11*	-0.16*	-0.14*	-0.35*	-0.20*
Number of rooms: housing satisfaction	0.13*	0.12*	0.14*	0.06*	0.15*	0.18*	0.15*	0.09*	0.16*	0.14*	0.21*	0.25*

* = statistically significant at the 95%-level.
Dwelling type: 1 = single-family dwelling, 2 = apartment. Tenure category: 1 = owner occupied, 2 = rental

Source: European Commission, Eurostat, European Community Household Panel (ECHP) 2000 (UK) and 2001 (UDB)

3.5 Relations between relevant variables

The previous section presented a number of tables that showed the relationship between dwelling type on the one hand, and tenure category, housing quality, number of rooms and housing satisfaction on the other hand. However, the interrelationships between these last four variables have not been taken into account. This section deals with this issue.

Table 3.6 shows all relevant bivariate relationships between the variables that were used in the previous section. In this table the strength and the direction of the various bivariate relations are described by means of the measures of association Kendall's tau b or Kendall's tau c. Kendall's tau b and Kendall's tau c are very similar to each other. However, Kendall's tau b is particularly suitable for square tables (bivariate relationship tenure category–dwelling type), whereas Kendall's tau c should be used in tables in which the number of rows is different from the number of columns (all other bivariate relationships).

Bivariate relationships

The first four bivariate relationships in Table 3.6 have already been described

in the Tables 3.2 to 3.5 and are therefore not discussed.[2]

The other six bivariate relationships are briefly described below.

- The tau parameters for the relationship between tenure category and the variable 'number of problems with regard to the housing situation' turned out to be slightly positive (and statistically significant) in almost all countries (except in Greece where there is no statistically significant correlation), indicating that rental dwellings (value 2) generally have more housing quality problems than owner-occupied dwellings (value 1).
- In all 12 EU countries, owner-occupied dwellings tend to have more rooms than rental dwellings. However, this correlation is less strong in the Southern European EU countries than in the rest of the European Union.
- In all 12 EU countries, owner occupiers are more satisfied with their housing situation than renters.
- In most EU countries, there is a slightly negative correlation between the 'number of problems' and the 'number of rooms'; dwellings with relatively few rooms generally have relatively many problems.
- In all EU countries, there is a negative correlation between the 'number of problems' and the housing satisfaction. Residents in dwellings with relatively many housing quality problems are generally less satisfied with their housing situation than residents in dwellings with relatively few housing quality problems.
- In all EU countries, the number of rooms is positively related with the housing satisfaction.

Relations between bivariate relationships

The parameter values in Table 3.6 are all based on bivariate relationships, which have not been controlled for the influence of other relevant variables (by keeping those variables constant). This implies that the various bivariate relationships all influence each other. Since it is not feasible to describe and interpret all these interactions, the discussion here is confined to the intervention of the variable tenure category, since this intervention is strong and very relevant for the aim of this paper.

It can be seen that there is a considerable correlation between dwelling type and tenure category, but that this correlation is less strong in the Southern European EU countries than in the rest of the European Union. This has some repercussions for the other bivariate relationships. Because Southern European apartments are relatively often owner occupied, and owner-

2 Possible small differences between the trends that were described on the basis of the Tables 3.2 to 3.5 and the parameters in Table 3.6 are due to the fact that the former Tables are based on the ratios of average values, whereas the Kendall's tau values in Table 3.6 are calculated on the basis of the distribution in the cross table concerned.

occupied dwellings generally have less housing quality problems than rental dwellings, Southern European apartments can be expected to have relatively few housing quality problems. In other words, the negative tau parameters in Southern Europe for the bivariate relationship dwelling type, number of problems, might be partly explained by the fact that Southern European apartments are relatively often owner occupied. A similar line of reasoning can be followed with regard to the bivariate relationships between dwelling type on the one hand, and number of rooms and housing satisfaction on the other hand. After all, the last two variables are also clearly related to tenure category. Thus, international differences in the relationship between dwelling type and tenure category (such as the described differences between Southern Europe and the rest of the European Union) will also reflect themselves in international differences in the relationships between dwelling type and number of rooms and dwelling type and housing satisfaction. The differences between Southern Europe and the rest of the European Union with respect to these bivariate relationships are therefore partly caused by the fact that there are relatively many owner-occupied apartments in Southern Europe.

It must be admitted that the above analysis has been partial and rather superficial. To obtain a more comprehensive and precise insight into the interrelationships between the five relevant variables (including not only the bivariate effects but also the higher order interaction effects), there would have to be a more sophisticated multivariate statistical analysis, such as a log linear analysis (see, for example, Hagenaars, 1990). However, such an analysis is beyond the scope of this exploratory paper.

3.6 Cluster analysis

Cluster analysis is a method that can be used to reduce the number of cases (countries in this study). It aims at grouping similar cases in order to come to clusters that are both internally homogeneous and different from other clusters. Since the aim here was to check whether the housing aspects analysed in the fourth section really differentiate between countries and welfare state regimes, a decision was made to cluster on the following variables:

- percentage of single-family dwellings (Figure 3.1);
- percentage of owner-occupied single-family dwellings (Table 3.2);
- percentage of owner-occupied apartments (Table 3.2);
- ratio average number of problems (single-family dwellings/apartments): RANOP (Table 3.3);
- ratio average number of rooms (single-family dwellings/apartments): RANOR (Table 3.4);
- ratio average satisfaction with the housing situation (single-family dwellings/apartments): RASH (Table 3.5).

Figure 3.2 Dendrogram of the cluster analysis using Ward Method

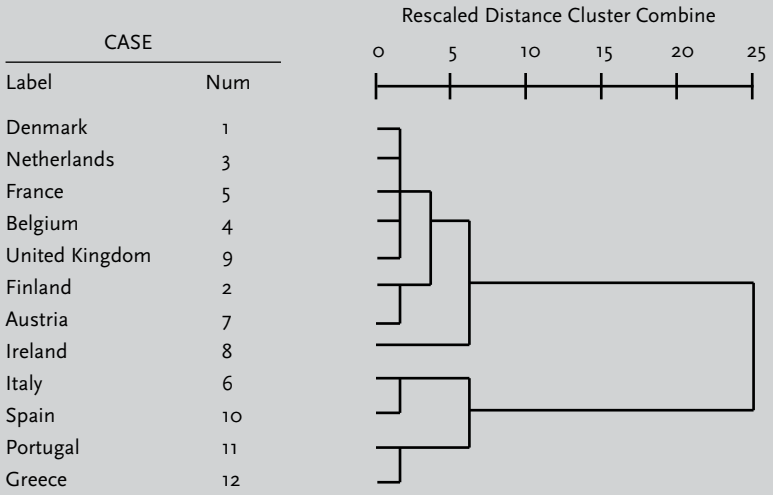

Table 3.7 Characteristics of the two clusters

	Other EU-countries		Southern Europe	
	Mean	**SD**	**Mean**	**SD**
% of single-family dwellings	72%	14.78	49%	12.40
% owner-occupied single-family dwellings	82%	5.25	85%	8.81
% owner-occupied apartments	30%	8.08	71%	10.69
RANOP	0.79	0.20	1.77	0.94
RANOR	1.51	0.13	1.11	0.05
RASH	1.10	0.04	0.99	0.07

Source: European Commission, Eurostat, European Community Household Panel (ECHP) 2000 and 2001 (UDB)

The scores on these variables for 12 EU countries (there were no data for Sweden, Germany and Luxembourg on all these variables) were imported in a separate database and standardized to Z-scores. Subsequently, a cluster analysis was conducted by means of a hierarchical cluster method, the method of Ward. This method tries to minimize the loss of information when two cases are grouped together (Aldenderfer & Blashfield, 1984, p. 43). The method of Ward normally results in rather compact homogeneous clusters.

Figure 3.2 shows the dendrogram (countries on the Y-axis, loss of information on the X-axis) of the cluster analysis. From this dendrogram, it can be concluded that the cluster analysis should be stopped when there are two clusters left: one cluster with the Southern European countries (Italy, Greece, Spain, Portugal) and one cluster with the other EU countries. If these two clusters are compared with Esping-Andersen's typology of welfare state regimes, only the Mediterranean welfare state regime is clearly visible. Countries belonging to the other three welfare state regimes all fall within the same cluster, which means that the characteristics and appreciation of single-family dwellings compared to apartments do not greatly differ between

these three regime types. This conclusion is in line with the results from the fourth section. Table 3.7 gives insight into the differences between the two clusters that resulted from the cluster analysis.

Although presented in a different form, Table 3.7 provides the same information as the tables in the fourth section. The following conclusions can be drawn.

- The proportion of single-family dwellings is lower in the Southern European EU countries than in the rest of the European Union.
- In the Southern European EU countries, most apartments are owner occupied, whereas this is the other way round in the other EU countries.
- In the Southern European EU countries, residents in single-family dwellings have more problems concerning the general condition of their dwelling than residents in apartments (ratio of 1.77). In the other EU countries the opposite is true (ratio of 0.79).
- In the Southern European EU countries, single-family dwellings only have slightly more rooms than apartments (ratio of 1.04). In the rest of the European Union, however, single-family dwellings generally have considerably more rooms than apartments (ratio of 1.51).
- In the Southern European EU countries, there are no significant differences in housing satisfaction between residents in single-family dwellings and residents in apartments. In the other EU countries, residents in single-family dwellings are generally more satisfied with their housing situation than residents in apartments.

3.7 Conclusions and directions for further research

3.7.1 Conclusions

This paper has been explorative and should merely be considered as a starting point for discussion and further research. There was an investigation into whether there is a connection between the nature of welfare states, and the characteristics and appreciation of single-family dwellings and apartments. In order to grasp differences in the nature of welfare states, the (extended) welfare state typology of Esping-Andersen was used, in which a social-democratic, a corporatist, a liberal and a Mediterranean welfare state regime were distinguished.

Based on various statistical analyses, it was concluded that the characteristics and the appreciation of single-family dwellings compared to apartments do not differ much between social-democratic, corporatist and liberal welfare state regimes. However, there is a significant difference between these three regime types on the one hand, and the Mediterranean welfare state regime on the other hand. It should be noted that Italy, which is a corporatist welfare state regime according to the Esping-Andersen typology, has

much in common with the other Southern European EU countries, which are all Mediterranean welfare state regimes. Thus, with regard to the characteristics and appreciation of single-family dwellings compared to apartments, Italy appears to be closer to the Mediterranean welfare state regime than to the corporatist welfare state regime. In this respect, it is important to realize that Italy is characterized by significant internal differences. The country can be seen as straddling the Mediterranean and corporatist regimes, both socially and geographically. While the north of Italy is part of the central corporatist core of the European Union, the south retains many features of Mediterranean welfare states (Barlow & Duncan, 1994, p. 30).

The above findings raise the question of whether the welfare state regime typology of Esping-Andersen constitutes a valuable starting point for an international comparative analysis of differences in the characteristics and appreciation of single-family dwellings compared to apartments. It is tempting to give a negative answer to this question. After all, most of the criteria mentioned in Table 3.1 did not seem to have a really differentiating influence on the characteristics and appreciation of single-family dwellings as against apartments in the various welfare state regimes. In fact, the only aspect that seems to matter is 'the role of the family', since it is this aspect that causes the distinction between the familialistic Mediterranean welfare state regime and the other three (less familialistic) welfare state regimes.

Therefore, it can be concluded that especially the differences between the Southern European EU countries and the rest of the European Union merit more detailed research. Many questions still have to be addressed before more valid conclusions can be drawn about the nature of these differences. The remainder of this section deals with five such issues and some possible directions for further research on this topic are outlined. This research agenda lays the emphasis on explaining the peculiar situation in the Southern European EU countries.

3.7.2 Directions for further research

The role of the family, homeownership and the relative preference for apartments

In the fifth section it was concluded that the variable 'tenure category' plays a role in the explanation of the differences between countries with regard to the characteristics and appreciation of single-family dwellings compared to apartments. The differences that were observed between the Southern European EU countries on the one hand, and the rest of the European Union on the other hand, can be partly traced back to differences in the relationship between dwelling type and tenure category. Southern European apartments are much more often owner occupied than apartments in other EU countries, which partly explains their relatively good quality and the relatively high

housing satisfaction of their residents. Therefore, it is relevant to examine the relationship between dwelling type and tenure category in more detail. Why are Southern European apartments more often owner occupied than apartments in the rest of the European Union?

The answer to this question could be found in the role of the family. After all, as concluded, the differences between the Mediterranean welfare state regime and the other three welfare state regimes are mainly due to differences in the degree of familialism. Consequently, further research should focus on the following question: does the Southern European familialism result in a relative preference for owner-occupied apartments? This question contains two aspects: the preference for owner occupation and the preference for apartments.

With regard to the first aspect, the analysis should be connected to international comparative research on the role of homeownership in general (Doling & Ford, 2003), and the trade-off between homeownership and pensions in particular (Castles, 1997; Castles & Ferrera, 1996). Since the 1950s, the rate of homeownership in the Southern European EU countries has risen disproportionately fast. Today, these countries have the highest homeownership rates of all EU countries (see also Table 3.2). There are two main reasons for this.

First, there seems to be a relationship with the familialistic characteristics of the Mediterranean welfare state regime. Given the limited extent and coverage of publicly provided welfare services and benefits in Southern Europe, homeownership is seen as a form of family self-protection, an investment against social risks (Flaquer, 2000). The resources of homeownership are often pooled within the family. When a young married couple sets out to purchase a home, this is frequently an extended family operation, mobilizing the capital assets of both households of origin (Castles & Ferrera, 1996, p. 181). Second, the housing policies adopted by Southern European governments have largely reinforced spontaneous popular inclinations towards homeownership. On the one hand, these governments have provided many privileges for homeowners (tax relief, reduced mortgage rates etc.), while on the other hand they have failed to promote an adequate supply of public or 'social' housing opportunities (Castles & Ferrera, 1996, p. 173).

The relative preference for apartments in the Southern European countries might also be related to the dominant position of the family. The Mediterranean welfare state regime is characterized by a large amount of both material and non-material intra-family transfers, in which the involvement of women in particular in care of the elderly and children is crucial (Moreno, 2001). Kin clustering is a prerequisite for such collaboration across genders and generations. After all, the delivery of services such as care of children or the elderly needs some daily interaction, which would not be possible if parents and children did not live close to each other (Flaquer,

2000). But how does this affect the built environment? It might well be that the Southern European way of life, with its many intra-family relations, requires compact cities and therefore results in a relative preference for apartments. However, this explanation is rather speculative and definitely needs further testing.

The influence of phase differences in the modernization process

The theoretical framework that was applied in this paper belongs to the so-called divergence approach. Theories within this perspective typically use typologies of housing systems derived from cultural, ideological or political theories as the basis for understanding differences between groups of societies (Kemeny & Lowe, 1998, p. 162). An equally important approach in international comparative housing research is the so-called convergence perspective. A basic assumption of studies within this perspective is that all modern societies are developing in the same direction. In the convergence approach, the development of housing systems is often connected to general trends. In this approach, differences in housing outcomes are primarily related to phase differences in the modernization, industrialization and/or urbanization process. Donnison (1967) and Donnison & Ungerson (1982), for example, explain the distinctive housing situation in Southern European countries by referring to the late start of the industrialization and urbanization process in thismacro-region. It would be very interesting to investigate whether the effects of this 'late start' are still visible in the current housing systems of the countries concerned. To what extent is there a relationship between the economic development of a particular country and the characteristics and appreciation of single-family dwellings compared to apartments? What is the role of the urbanization process? Will the suburbanization process, which has started only relatively recently in the Southern European EU countries, lead to an increasing popularity of single-family dwellings in this macro region? Extending the analysis to other countries. Extending the analysis to countries outside the European Union, such as the US or the countries in East Asia, is another option for further research. More than the UK and Ireland (the liberal countries that were included in the analysis), the US can be considered as the archetypical liberal country. Against this background, it would be very interesting to investigate how the American liberalism reflects itself in the characteristics and appreciation of single-family dwellings as against apartments. The East-Asian countries (Japan, Singapore, Hong Kong, Korea) are another interesting case. These countries show some clear similarities with the Mediterranean welfare regime, because they are also characterized by a relatively large proportion of owner-occupied apartments, a relatively 'late' industrialization and urbanization process and a strong degree of 'familialism'. Therefore, it would be interesting to extend the research to this part of the world.

The role of social rented housing

Just as with the characteristics and the appreciation of single-family dwellings compared to apartments, the role of social housing clearly differs between Southern Europe and the rest of the European Union. In Spain and Greece, less than 1 per cent of the housing stock consists of social rented dwellings, while this is approximately 5 per cent in Italy and Portugal. In the other EU countries, the percentage of social rented dwellings is considerably higher, ranging from 7 per cent in Belgium to 40 per cent in the Netherlands (figures derived from the ECHP, 2001). Thus, there seems to be a correlation between the proportion of social housing and the characteristics and appreciation of single-family dwellings compared to apartments. This correlation certainly merits further research (is it just a statistical correlation or is it a reflection of a causal relationship?).

Differences within dwelling type categories, age of the dwelling, and location of the dwelling

This paper did not examine quality differences within each of the dwelling type categories (single-family dwellings and apartments). However, these differences definitely play a role. Detached dwellings usually have more rooms than terraced houses. Luxury penthouses are in no way comparable with gallery flats. Thus, the analysis can be refined by also looking at the variation within each of the dwelling types.

Furthermore, it should be realized that the dwelling stock of a particular country is the product of layer upon layer of housing construction dating back decades, sometimes even centuries. Since the welfare state regimes described in the second section basically refer to the last three to four decades, part of the dwelling stock had already been built before the welfare states grew to full stature. Consequently, the analysis that was carried out in this contribution would have been more precise if it had been able to make a distinction between dwellings that were built in different time periods (unfortunately, the ECHP does not allow such distinctions).

Finally, the location of the dwelling is also important. Households who want to move not only choose a particular dwelling type, but also a particular living environment (central, suburban, etc.). Because single-family dwellings and apartments are usually unevenly distributed among the various living environments, it might well be that the choice of a particular dwelling type is in fact the choice for a particular living environment. Future research should take these aspects into account as well.

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4 Two types of rental system?
An exploratory empirical test of Kemeny's rental system typology

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Abstract
The organisation of the rental market varies from country to country. Kemeny draws a distinction between societies with an integrated rental system (relatively minor differences between the non-profit and the profit rental sectors) and societies with a dualist rental system (relatively major differences between the non-profit and the profit rental sectors). In this exploratory paper, Kemeny's typology is tested against data from the European Community Household Panel (ECHP). The tentative conclusion is that integrated rental systems and dualist rental systems do indeed exist, but there are signs of increasing convergence between the two.

4.1 Introduction

A great many international comparative housing studies concentrate on the developments in one particular tenure category and thus have a clear tenure-oriented focus (see, for example, Boelhouwer, 2002; Van der Heijden, 2002; and Priemus and Maclennan, 1998). In most of these studies, the rental sector is divided into a social rental segment (dwellings let by landlords with a non-profit character) and a private rental segment (dwellings let by profit-oriented landlords). There are few cross-national studies that analyse the rental market as a unity. This might be due to the fact that, in some countries, especially in the English-speaking regions, the social and the private rental sectors are two separate worlds. Apart from having different owners, social and private rental dwellings are often subject to different regulations and may even house different kinds of tenant. However, there are also countries in which the differences between social rental and private rental dwellings are less sharply defined. In Germany, for example, it is very hard to distinguish between social and private renting. Here, both profit and non-profit landlords can provide social housing with subsidies making up the difference between a 'social' rent and a commercial rent (Stephens *et al.*, 2003, p. 772).

The international differences in the characteristics and the segmentation of rental markets formed the inspiration for the theoretical research of Jim Kemeny. In From Public Housing to the Social Market (1995), Kemeny develops a theoretical framework which explains the development of rental markets and which he connects to the more general characteristics of the housing system and the welfare state. This theoretical framework, which has been further refined in two recent articles (Kemeny *et al.*, 2005; Kemeny, 2006), is

largely based on reasoned arguments and on the linking of different theoretical concepts. Kemeny makes strong assumptions about housing policy, rent regulation and rental finance, assuming that different types of rental system exist at the national level. As far as this is concerned, Kemeny draws a distinction between societies with an integrated rental system (relatively minor differences between the social and the private rental sectors) and societies with a dualist rental system (relatively major differences between the social and the private rental sectors). The differences between these two types of society are reflected in the state housing policies and in the housing outcomes (characteristics of the dwellings and their residents).

In his book, Kemeny uses case studies to provide evidence for the housing policy aspects of his theory. However, the housing outcomes are largely ignored. It therefore remains unclear whether the assumed differences between integrated and dualist rental systems really have an empirical basis. In this exploratory paper, we attempt to shed more light on this issue. We compare the tenure distribution, the housing quality, the income characteristics of residents and the rent levels in both the social and the private rental sectors in six European Union countries on the basis of data from the European Community Household Panel (ECHP). We then draw some tentative conclusions on the validity and applicability of Kemeny's rental system typology. These conclusions may serve as a starting-point for further international comparative research on rental systems.

This paper consists of an introduction and four sections. Section 4.2 deals with the theoretical and conceptual issues. It defines the concepts of 'social rental sector' and 'private rental sector' and describes Kemeny's theoretical framework in more detail. Section 4.3 'translates' this framework into four hypotheses which are tested with the aid of data from the European Community Household Panel (ECHP). Section 4.4 describes the research results (hypotheses testing) and Section 4.5 sets out the conclusions.

4.2 Theoretical and conceptual issues

4.2.1 Defining social rental and private rental housing

Various researchers (Ruonavaara, 1993; Barlow and Duncan, 1988) have demonstrated how difficult it is to come up with a Universal definition for the different tenure sectors. Some countries have forms of tenure that do not exist in other countries and ostensibly similar housing tenures may be intrinsically dissimilar in different types of society.

According to Ruonavaara (1993), there are only two main tenure categories: owning and renting. The cardinal difference between the two lies in the right of disposal. Homeowners always have right of disposal regardless of practi-

cal or administrative restrictions, whereas tenants do not (Ruonavaara, 1993, p. 12). Given his focus on disposal rights, Ruonavaara does not make a further distinction between the private rental and the social rental sectors. Nevertheless, this distinction is very common in mainstream housing research, especially when this research is based on statistics. In most official statistics, the distinction between the social and the private rental sectors is drawn on the basis of the characteristics of the landlord. Landlords with a non-profit character, such as local authorities, voluntary agencies, co-operatives and housing associations, are identified with the social rental sector, whereas all other types of landlord are identified with the private rental sector.

Although some economists disagree with this assumption (as indicated in Elsinga *et al.,* 2005), Kemeny expects that, in the long term, the rents of dwellings that are let by social landlords (who do not have to make a profit) will be lower than the rents of comparable dwellings that are let by profit-oriented private landlords (Kemeny, 1995; Kemeny *et al.,* 2005). However, the extent of these differences depends on the type of rental system that is in force in the country in question and the so-called level of maturation of both the social and the private rental sectors. Maturation can be defined as the debt-to-market value of the housing stock (see also Section 2.5). If the level of maturation is similar for nonprofit and profit-oriented landlords, the non-profit landlords will be able to set lower rents than the profit-oriented landlords because they only need to cover their costs, whereas profit-oriented landlords also have to make a reasonable profit (Kemeny, 1995, Kemeny *et al.,* 2005).

Kemeny (1995) prefers to speak of 'nonprofit renting' and 'profit renting' rather than social renting and private renting. In his definition, non-profit renting encompasses all rental housing, irrespective of ownership, with rents which are 'profit-free'; roughly speaking, the rents cover only the costs that are actually incurred for a stock of dwellings. Social rental landlords are the main providers of non-profit rental housing although private rental landlords can also provide such housing – for example, in exchange for state subsidies. In Kenemy's terms, profit renting refers to housing with landlords who try to maximise their profits. Profit rental housing tends to be provided by private rental landlords, although social rental landlords can also rent out part of their stock for profit-oriented rents.

Kenemy's aim in using these definitions is to shift attention from the owner of the housing because, he argues, most housing research focuses too strongly on tenure. However, although Kemeny's definitions are attractive from a theoretical point of view, they do not lend themselves to concrete international comparative housing analyses. International comparative data on the way in which rents are calculated are not generally available. This is why the more 'traditional' and better-known concepts of social and private rental housing are used throughout this paper. For the record, it should be stressed that there are no fundamental differences between the latter con-

cepts and Kemeny's definitions with respect to the countries in our analysis. Basically, as far as these countries are concerned, non-profit rental housing equals social rental housing and profit rental housing equals private rental housing.[1].That is why this paper uses the terms social rental and non-profit rental and private rental and profit rental interchangeably.

4.2.2 Kemeny's view on rental systems

Kemeny (1992, 1995, 2006) explains internationally divergent housing developments mainly by referring to differences in the social and political structures between countries. He assumes that these differences are associated with differences in ideology and, more specifically, with the degree of privatism as opposed to collectivism. Tendencies towards collectivism and privatism are expected to manifest themselves in the housing system in two important respects: the social forms which emerge around tenure and the spatial consequences of the dominance of one or more dwelling types (see Hoekstra, 2005, for more information on the second aspect). In his 1995 book, Kemeny works out the first aspect: the social forms that emerge around tenure. He translates the collectivism-privatism continuum of the social structure into a distinction between integrated rental systems (collectivist ideology) and dualist rental systems (privatist ideology) and maintains that each of these rental systems is informed by a specific view on how markets operate and is the product of different kinds of power structure (Kemeny, 1995, p. 5; Kemeny, 2006).

4.2.3 Dualist rental systems

Dualist rental systems are found mainly in countries with an ideology of privatism and economic liberalism and a hegemonic position for right-wing political parties. The most obvious representatives of this Group are the Anglo-Saxon countries. In these societies, the state endeavours to steer clear of markets because it is generally believed that government involvement in markets undermines fair competition. However, there are still some population groups who are simply unable to buy welfare services on the free market. For them, the government provides a public-sector safetynet. To prevent direct competition with the commercial markets, this safety net is set apart and run as a residualised state sector. Privatist societies are therefore characterised by a dualism between largely unregulated profit-driven markets on the

1 This observation refers to the social and the private rental sectors as a whole, but not necessarily to all individual landlords in both sectors. In the Netherlands, for example, some housing associations let a limited part of their housing stock on a profit basis. Despite this, the Dutch social rental sector as a whole can still be described as non-profit.

one hand and a tightly controlled state sector on the other (Kemeny, 1995, p. 9).

Kemeny maintains that this dichotomy is also clearly visible in the rental markets of privatist societies. The government separates the social rental sector from the private rental sector and uses it as a kind of safety net. Consequently, the social rental sector is reserved primarily for low-income groups and has regulated low rents. This gives it a residual character and a certain degree of stigma. This also reverberates on the other tenure sectors. As access to the social rental sector is, in effect, restricted to households with a low income and as the private rental sector usually charges high rents and offers limited or no tenant protection and rent regulation, one could say that dualist rental systems 'push' households into the homeownership sector (see Ronald, 2004, for more information on push and pull explanations). Consequently, the homeownership rate in dualist rental systems tends to be relatively high.

4.2.4 Integrated rental systems

Integrated rental systems, sometimes also called unitary rental systems,[2] originated in the social market model, which first appeared in Germany in the 1930s. This model

> attempts to construct markets in such a way as to strike a balance between economic and social priorities and thereby ameliorate the undesirable effects of the market from within (Kemeny, 1995, p. 11).

The social market model is therefore based on the principle that intervention in markets is both necessary and desirable, but that it must be market-compliant. In other words, markets should be constructed in such a way that they incorporate important social goals (Barry, 1993). An important part of this strategy is the encouragement of competition between profit and non-profit forms of welfare provision. Kemeny states:

> To use an analogy, non-profit organizations are not separated off from the economy in the way that fat is separated from meat. Rather it is 'marbled' into the meat. The skill of managing this political economy lies in achieving this 'marbling' to maximise the benefits of both competition and social security (Kemeny, 1995, p. 15).

These ideas have clearly shaped the welfare state in post-war Germany, but they have also had an influence in the Netherlands, Denmark, Sweden and

2 The terms 'integrated rental system', 'integrated rental market', 'unitary rental system' and 'unitary rental market' are often used interchangeably in the literature. However, in this paper, I consistently apply the term 'integrated rental system'.

Austria (Kemeny, 1995, p. 15). This influence has been visible in all segments of the welfare system, but particularly in housing, where the social market policies have resulted in a so-called integrated rental system in which housing policies are geared towards direct competition between the profit and the non-profit rental sectors. This implies that governments are actively involved in the development and regulation of rental markets.

Kemeny states that direct competition between profit and non-profit renting can benefit the rental market as a whole. As the social rental sector generally ensures a steady supply of new housing, the rental sector is less susceptible to economic cycles. Moreover, the non-profit rent levels in the social rental sector may have a dampening effect on the commercial rent levels in the private rental sector (Kemeny, 1995, p. 18). The extent of this effect depends mainly on the size of the social rental sector compared with the private rental sector and the conditions in the housing market. In a tight housing market, this effect will obviously be less profound than in a more relaxed housing market (Kemeny *et al.,* 2005, p. 859). Furthermore, integrated rental systems are often characterised by Universal rent regulation regimes that put a limit on rent setting and rent increases in both the social and the private rental sectors (or at least a substantial part of the latter sector). Thus, not only the direct competition but also the rent regulation suppress the differences in rent levels between the two rental sectors. The rather strict rent regulation offers protection to the tenants but may have a negative effect on the yields and investments of the landlords in the private rental sector (Elsinga *et al.,* 2008). This can further enhance the dominant position of the social rental sector in integrated rental systems. Finally, the state may grant subsidies to the social rental and the private rental sectors provided that certain criteria are fulfilled for housing quality, security of tenure and sometimes rent levels (Hulse, 2003, p. 31). All these characteristics make the rental sector of integrated rental systems attractive (and accessible) to relatively large segments of the population.

4.2.5 The mechanisms behind dualist and integrated rental systems

Integrated and dualist rental systems do not come into being overnight. They are the result of a long-term interaction between the economic development of rental housing stocks on the one hand and long-term strategic policy-making designed to influence and channel that interaction on the other. The key question is whether or not renting is segmented into compartmentalised and segregated markets. In other words: to what extent do state housing policies differentiate between the social and the private rental sectors?

Whereas housing policies differ from country to country, the economic processes that shape the rental sector are essentially the same everywhere.

As far as this is concerned, the so-called maturation process is an important factor (Kemeny, 1995, p. 41). Maturation reflects the widening gap between the outstanding debt-per-dwelling on the existing stock and the average new debt-per-dwelling which is built, acquired or renovated. This gap is caused by inflation in the costs of construction and land acquisition. Each year that new dwellings are constructed, the difference between what it costs to build the first houses erected by the housing organisation and those currently being constructed increases. As debt-servicing usually accounts for a large share of the Total housing costs, maturation keeps the costs of providing old housing well below the costs of building new housing. The impact of maturation is expected to differ between social rental and private rental housing. In social rental housing, maturation should result in relatively low rent levels in either the oldest parts of the housing stock (if historical costs determine the rent levels) or within the housing stock as a whole (if rent pooling is in use, which is usually the case). In the private rental sector, the private landlords with older dwellings benefit from maturation because it allows them to charge rents that are well above the actual incurred costs, provided that the conditions in the housing market allow for this. Thus, in the private rental sector, the maturation process leads to higher profits for the landlords and not to lower rents for the tenants. The possibilities of asking rents that are well above the costprice level are, however, considerably less in an integrated rental system (where competition from the social rental sector and rent regulation limit the scope for rent increases) than in a dualist rental system (where there is virtually no direct competition from the social rental sector and rent regulation for private landlords tends to be limited). Maturation is not solely a product of inflation; it also depends on other factors such as the rate at which new dwellings are added to the stock (degree of front-loading) and the extent of the investments in renovation in the older dwelling stock (Kemeny, 1995, p. 44). Furthermore, the maturation process may be temporarily reversed if older housing stock is remortgaged – for example, in the case of stock transfer (housing associations buying old municipal housing stock, a phenomenon that is quite common in the UK). Maturation is not the only factor that can strengthen the financial position of the social rental sector. The sale of social rental dwellings, coupled with the fact that the lifespan of these dwellings is generally much longer than the 50 years for which they are usually registered in the bookkeeping, may play a role as well. Since social rental landlords do not have to make a profit, the yield from these processes often stays in the rental sector where it is reinvested in renovation or new housebuilding.

As a result of these processes, the social rental sector sooner or later reaches a point at which it begins to compete strongly with commercial renting and owner-occupation. This is reflected in falling real rents and growing waiting-lists for social rental housing which, in turn, put pressure on the policymakers (Kemeny, 1995, p. 47). There is a clear difference between the policy

response for integrated and dualist rental systems. Effectively, one could say that they are fundamentally distinct.

In a (future) dualist rental system, the government normally tries to repress and counteract the maturation process in the social rental sector by, for example, forcing social rental landlords to sell off their dwellings with large discounts for the buyers. In a (future) integrated rental system, the government would allow the social rental sector to expand so that it could continue to compete with the private rental sector.

4.2.6 Tenure and welfare: the really big trade-off?

Kemeny assumes that a close relationship exists between the tenure policies and the tenure distribution in a society and the way in which the welfare state of this society is structured. As far back as the early 1980s (Kemeny, 1981), Kemeny argued that high rates of homeownership impact on society via various forms of privatism, such as a lifestyle based on detached housing and a high degree of car ownership (Kemeny, 2005, p. 61). These tendencies towards privatism also affect the nature of the welfare provision. If owning a home and a car are top priorities for newly established (middle-class) households, it is more than likely that the high taxes that are necessary for a universal welfare state will encounter strong resistance. After all, such taxes might delay or hamper the acquisition of homes or cars. The other side of the coin is that a poorly developed welfare state will result in relatively low state retirement pensions and poor public welfare for the elderly. Consequently, people will be forced to set aside resources from early adulthood in order to accumulate personal capital for a secure old age. Homeownership is an effective way of achieving this aim as it cuts down the housing costs in old age and offers possibilities of realising hard cash via trading down or remortgaging. Thus, Kemeny (1980, 2005) posits that a negative relationship exists between levels of homeownership and the development of the welfare state. As explained above, this relationship may work in two directions, an aspect which has also been confirmed in a statistical analysis by Doling and Horsewood (2005).

In 1998, Kemeny's thesis was taken up by political scientist and welfare state researcher Frank Castles. Castles (1998) examined the relationship between levels of homeownership and various indices of public welfare and found clear negative correlations, although the strength of these correlations diminished somewhat between 1960 and 1990. Be that as it may, Castles' work obviously supports Kemeny's hypothesis. As far as the relationship between housing and welfare is concerned, there do indeed seem to be two types of society. On the one hand, there are countries in which a somewhat minimalist model of welfare provision goes hand-in-hand with a high rate of homeownership; the dualist rental systems. On the other, there are countries

that have a fairly well developed welfare state and a substantial rental sector that offers an alternative to homeownership; the integrated rental systems.

Kemeny (2005) doubts, however, whether this divergence will continue to prevail in the future. He observes that most integrated rental systems have been retrenching their welfare states and suggests that this may 'push' people into the homeownership sector, because owning a home is perceived as a kind of insurance against poverty and social deprivation in old age. Kemeny (2005) illustrates this point with the Swedish case. In the 1990s, Sweden downwardly reviewed its pension system and cut back on residential care and home-help for the elderly. Kemeny argues that this might steer the tenure preferences of young and newly formed households in the direction of homeownership. Over time, these changes in tenure preferences will become visible in the tenure patterns. In most integrated rental systems, the rental sector is already declining. In the Netherlands, for example, the share of the rental sector declined from 55 per cent in 1990 to 45 per cent in 2003 (National Board of Housing, Building and Planning, Sweden/Ministry for Regional Development of the Czech Republic, 2004).

Nevertheless, the presumed relationship between the growth in homeownership and the decline of the welfare state — and, more particularly, the reduction in welfare services for the elderly — needs to be scrutinised more closely before firmer conclusions can be drawn. For instance, one should also look at possible alternative explanations for the growth in homeownership, such as changing ideologies, a decline in returns from alternative investments in, say, private pension schemes or the stock market, and the influence of housing policies that promote homeownership (Boelhouwer and Van der Heijden, 2005; Doling and Horsewood, 2005; Sommerville, 2005), such as generous tax benefits for homeowners.

4.2.7 Kemeny's typology in international comparative housing research

Three main approaches, each associated with a different level of generalisation, can be discerned in international comparative housing studies. At the highest level of generalisation are studies that try to demonstrate that basically all housing systems are driven by the same underlying imperatives (Kemeny and Lowe, 1998). These studies, which fall under the heading of the 'convergence approach', apply an overarching perspective that explains why all countries are – or are becoming – essentially similar (Doling, 1997). This perspective can relate to explicit theories (for example, Marxism), but it can also be more vague, relating to broader trends such as economic development, privatisation or (sub)urbanisation (Boelhouwer and Van der Heijden, 1992).

The convergence approach has been heavily criticised for failing to take

sufficient account of political, cultural and institutional differences between countries. Indeed, it is partly as a result of this criticism that the divergence approach saw the light of day. The theories that fit into this approach, also called middle-range theories, attempt to strike a balance between generalisation on the one hand and attention to differences on the other. They tend to use housing system typologies derived from cultural, ideological or political theories as the basis for understanding differences between groups of societies (Kemeny and Lowe, 1998). In housing research, Kemeny's typology of rental systems, the theoretical framework of this paper, is a clear example of the divergence approach.

However, the divergence approach also necessarily involves generalisations in which categories such as 'homeownership' and 'renting' are abstracted from their specific historical and geographical context and made the subject of general propositions. Some researchers (for example, Sommerville, 2005) find this unacceptable and argue that tenure-related concepts are irrevocably culturespecific with different meanings in different places and at different points in history. In order to do justice to this specificity, a new strand of international comparative housing research has recently emerged in the form of micro-scale comparative studies (Matznetter, 2006). These studies (for example, Quilgars *et al.,* 2008; Steinführer, 2005) share a number of characteristics: they focus on rather small geographical entities, they are actor-oriented and they often apply constructivist methodology and qualitative research methods, thus allowing case studies to be accepted in comparative research (Haworth *et al.,* 2004; Matznetter, 2006).

4.3 From theory to housing outcomes

Kemeny's theoretical framework has not been fully tested against empirical data. In his book (1995), Kemeny presents a number of case studies in which the UK, Australia and New Zealand are presented as examples of dualist rental systems and Germany, the Netherlands, Sweden and Switzerland are regarded as typical examples of integrated rental systems. In these case studies, Kemeny presents some data on the maturation process and interprets the way in which the different national governments deal with the social and the private rental sectors. However, he does not analyse any statistics on housing quality, resident characteristics or rent levels. Consequently, his book does not make clear whether the differences between dualist and integrated rental systems really lead to differences in empirical housing outcomes. The same goes for Kemeny *et al.* (2005), in which only integrated rental systems are analysed.

This paper attempts to fill this void by investigating the relationship between the type of rental system on the one hand and the housing outcomes on the other. An empirical test of Kemeny's rental system typology is

conducted on the basis of an analysis of data from the European Community Household Panel (ECHP). For this purpose, Kemeny's typology has been deductively translated into four hypotheses. Because of the specific epistemological status of Kemeny's typology, which is based on reasoning rather than on a positivist approach, this translation was not always straightforward. The reader should therefore be aware that the hypotheses formulated in this section are based on the author's own interpretation of Kemeny's typology and do not necessarily represent Kemeny's vision.

4.3.1 Towards hypotheses

The main characteristics of dualist rental systems and integrated rental systems have already been described in Section 4.2. In this section, we translate these characteristics into measurable housing outcomes. This delivers four hypotheses which are summarised in Table 4.1. It should be noted that the four hypotheses only cover part of the housing outcomes that can be expected on the basis of Kemeny's theoretical framework. One important aspect of integrated rental systems that could for example not be included in the hypotheses is the geographical distribution of tenure types and housing quality segments. According to Kemeny, true competition between the social rental and the private rental sectors is only possible if the social rental sector offers a viable alternative to private rental dwellings and vice versa. This implies that, in integrated rental systems, social and private rental dwellings need to be available in the same segments of the housing stock and in the same geographical areas. Unfortunately, this condition could not be adequately tested with the ECHP, as it does not provide representative data on a narrow geographical scale.

Hypothesis 1: Share of the owner-occupancy sector
Kemeny states that the housing policies in dualist rental systems steer residents far more in the direction of the owner-occupancy sector (see also Section 4.3) than the housing policies in integrated rental systems. If this is true, one may expect dualist rental systems to have a larger owner-occupancy sector than integrated rental systems.

Hypothesis 2: Level of housing quality
Although he does not explicitly say so, Kemeny seems to accept that, in both dualist and integrated rental systems, the better-off households have a preference for the owner-occupancy sector. Consequently, the quality of owner-occupied dwellings is generally higher than the quality of rental dwellings. However, the extent of these differences is expected to vary between the two types of rental system.

Integrated rental systems are characterised by a relatively large social rent-

Table 4.1 Differences between integrated and dualist rental systems: four hypotheses

	Dualist rental system	Integrated rental system
1. Share of owner-occupancy sector	relatively large	relatively small
2. Level of housing quality	relatively large differences in housing quality between the owner-occupancy sector and the social rental sector	relatively small differences in housing quality between the owner-occupancy sector and the social rental sector
3. Income distribution of tenants	relatively strong residualisation in the social rental sector	relatively limited residualisation in the social rental sector
4. Rent levels, corrected for housing quality	large differences between social rental and private rental dwellings	small differences between social rental and private rental dwellings
Countries	UK, Ireland, Belgium	the Netherlands, Denmark, Austria

al sector and housing policies that are relatively favourable for renting. Consequently, the social rental sector not only offers dwellings at the lower end of the housing market but also caters for middle-income groups by including a relatively large number of dwellings of a somewhat higher quality and price. As a result, the differences between the housing quality in the social rental sector and the owner-occupancy sector are expected to be relatively small.

In dualist rental systems, one can assume that the social rental dwellings are of a relatively low quality, as they serve merely as a safety-net and therefore only 'need' to meet basic standards. Accordingly, fairly large differences may be expected between the quality of housing in the social rental sector and the owner-occupancy sector.

Hypothesis 3: Income distribution of tenants

In dualist rental systems, access to the social rental sector is largely restricted to households with relatively low incomes. This implies that a large part of the social rental housing stock is occupied by households from lower-income groups. The concentration of low-income groups in a particular tenure sector is often referred to as residualisation.

In integrated rental systems the social rental sector is bigger than in dualist rental systems, the means-testing is less severe and social renting is not stigmatised. Consequently, the social rental sector is attractive for both low- and middle-income households and is therefore less residualised than in dualist rental systems.

Hypothesis 4: Rent levels

In dualist rental systems, one can expect rather large differences between the rents in the social and the private rental sectors. After all, these systems are characterised by a limited and tightly regulated social rental sector in which the rents are relatively low and a private rental sector where rent regulation is either nonexistent or limited, thereby implying that the rents are relatively high.

In integrated rental systems on the other hand, one might expect the differences between rents in the social and the private rental sectors to be small. This is due to the fact that the two sectors are in direct competition and are often subject to the same kind of rent regulation.

4.3.2 Selection of countries

Six countries were selected for the analysis presented in this paper: the UK, Ireland, Belgium, the Netherlands, Denmark and Austria. Kemeny considers the first three as representative of dualist rental systems and the latter three as representative of integrated rental systems (Kemeny, 2006, p. 10). If Kemeny's typology is correct, the housing outcomes are expected to differ clearly between these two groups of countries.

Sweden and Germany, two typical integrated rental systems according to Kemeny, do not feature in the analysis. Sweden has been excluded purely for pragmatic reasons: some of the housing questions were not answered in the Swedish version of the ECHP. In Germany, the distinction between social and private rental landlords is very indistinct as both can let rental dwellings with a non-profit rent (due to a specific subsidy system, see for example, Stephens *et al.,* 2003, p. 771). Although, in principle, this can be regarded as a logical characteristic of an integrated rental system, it could seriously complicate the interpretation of the research results. This is why Germany is omitted from the analysis.

Obviously, there is a limit to which one can generalise about such a small number of countries. After all, individual countries also follow their own specific path and pursue their own approach within each of the two rental systems (see Kemeny *et al.,* 2005). Nevertheless, if Kemeny's typology is valid, the differences between the two types of rental system should be greater than the differences within them.

4.3.3 Data

Most of the data used in this paper come from the European Community Household Panel (ECHP). In the ECHP survey, residents from all the 'old' EU countries (EU 15) are interviewed about their work, their economic situation, their health and their housing. Since this is conducted in a uniform manner (the same questions are asked in each country), the ECHP is a useful source of data for international comparative research. The sample sizes range between 2000 and 6000 households per country.

It should be noted, however, that the ECHP is not an optimal data source for housing research. In certain cases, housing figures produced on the basis of the ECHP have turned out to be a bit dubious. For example, for some countries, the tenure distribution derived from the ECHP is slightly different from the tenure distribution in the 'official' statistics. We have corrected this with a reweighing procedure.[3] The data limitations were not considered an insur-

3 In this reweighing procedure, we used data on the tenure distribution from Scanlon and Whitehead, 2004 (Austria) and Norris and Shiels, 2004 (all other countries).

mountable problem for the exploratory analyses conducted in this particular paper. However, better data would be needed for more detailed and more contextualised international comparative research on rental markets.

4.3.4 Testing the hypotheses

All the hypotheses explicitly refer to a comparison between integrated rental systems and dualist rental systems. The hypotheses are tested on the basis of some basic descriptive statistics. Statements relating to acceptance are not based on formal statistical testing but on the author's interpretation. This fits in well with the character of the paper, which aims to explore broad differences between integrated and dualist rental systems and is not a formal statistical testing of Kemeny's typology.

4.4 Results

In this section, the four hypotheses (Table 4.1) are explored on the basis of the ECHP data. A separate section is dedicated to each hypothesis.

4.4.1 Hypothesis 1: Share of owner-occupancy sector

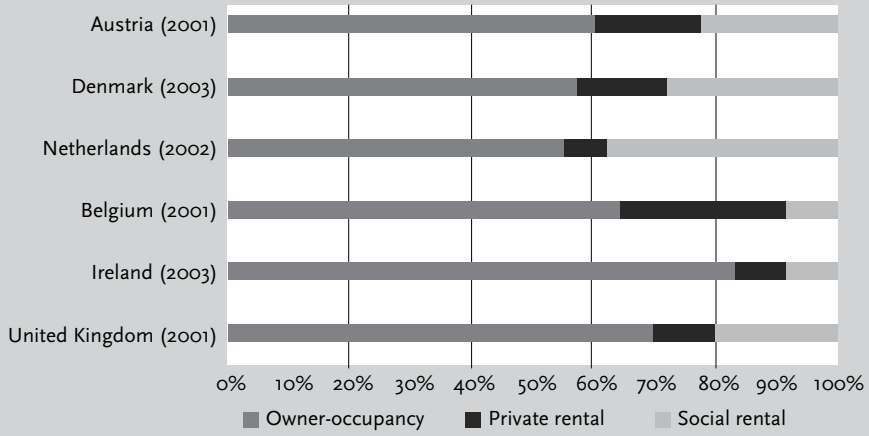
Figure 4.1 provides insight into the share of the owner-occupancy sector in the six EU countries. The figure shows that the presumed integrated rental systems do indeed have a slightly lower share of owner-occupancy dwellings than the presumed dualist rental systems. This supports the first hypothesis in Table 4.1.

4.4.2 Hypothesis 2: Level of housing quality

Quality of housing is a broad multidimensional concept. The ECHP contains a number of questions with regard to the condition of the dwelling and the liveability in the neighbourhood. Although these questions may not cover all relevant housing quality aspects, they are expected to give a reasonable indication of the housing quality in the various countries.

The housing quality dimensions that are measured by the ECHP questions have been integrated into a housing quality index. Table 4.2 shows how this index has been constructed. The maximum score on the housing quality index is 10. It should be noted that the variables in the index are based on selfreported data (respondents' answers). Cultural differences arising from differing interpretations of the same question-and-answer categories (Healy, 2003, p. 414) may therefore affect the reliability of the index. This is, however, inevitable in any kind of survey – based international comparative research.

Figure 4.1 Tenure distribution in the six selected EU countries (as a percentage of the total housing stock)



Sources: for Austria, Scanlon and Whitehead (2004); for all other countries, Norris and Shiels (2004)

Table 4.2 The construction of a housing quality index

Variable	Points
Presence of a separate kitchen?	1 point if present
Presence of a place to sit outside?	1 point if present
Noise pollution from neighbours or outside?	1 point if no noise pollution
Lack of light?	1 point if no lack of light
Lack of adequate heating?	1 point if no lack of adequate heating
Leaky roof?	1 point if no leaky roof
Humidity problems?	1 point if no humidity problems
Rot?	1 point if no rot
Pollution in the neighbourhood?	1 point if no pollution in the neighbourhood
Crime in the neighbourhood?	1 point if no crime in the neighbourhood

Table 4.3 shows the mean score on the housing quality index for the three different tenure sectors. A ratio was worked out to quantify the differences in housing quality between the owner-occupancy sector and the social rental sector (average housing quality owner-occupancy sector: average housing quality social rental sector). On the basis of this ratio, one can conclude that the housing quality differences between the two tenure sectors tend to be slightly greater in presumed dualist rental systems than in presumed unitary rental systems. This observation is in line with the second hypothesis that was formulated in Table 4.1.

4.4.3 Hypothesis 3: Income distribution of households

To measure the degree of residualisation, the income distribution of the households was divided into three groups of 33.3 per cent. Figure 4.2 shows which percentage of the social rental sector in the six countries is occupied

Table 4.3 Mean score on the housing quality index for owner-occupied, social rental and private rental dwellings, 2001

	Owner-occupied		Social rental		Private rental		
	Score	n	Score	n	Score	n	Owner-occupied / Social rental
Austria	9.48	1260	9.08	520	8.60	363	1.04
Denmark	9.58	1162	9.21	563	8.90	351	1.04
Netherlands	9.22	2288	8.76	1386	8.35	345	1.05
Belgium	9.21	1504	8.36	149	8.51	536	1.10
Ireland	9.55	1374	8.79	114	9.07	176	1.09
UK	9.34	3043	8.81	907	8.42	361	1.06

Source: European Commission, Eurostat, European Community Household Panel, 2001 (UDB)

by households that belong to the first 33.3 per cent (lowest income group). The figure shows that the social rental sectors in Belgium and the UK, both presumed dualist rental systems, have the highest degree of residualisation. Austria has the lowest. Residualisation in the relatively large social rental sectors of the Netherlands and Denmark is also lower than in the UK and Belgium. Ireland is an exception, where the residualisation is less pronounced than one would expect on the basis of Kenemy's typology. All in all, there seems to be reasonable support for Hypothesis 3.

4.4.4 Hypothesis 4: Rent levels

Figure 4.3 shows the gross monthly rent in the social and the private rental sectors of the six EU countries.[4] Given the data limitations of the ECHP (see Section 4.3), this figure should be considered as indicative. Nevertheless, a clear pattern emerges. In all the countries except Denmark, the rents in the private rental sector are higher than the rents in the social rental sector[5]. However, the differences in rent levels between social rental dwellings and private dwellings are considerably greater in the presumed dualist rental systems than in the presumed integrated rental systems.[6] This supports Hypothesis 4.

4.5 Summary and conclusions

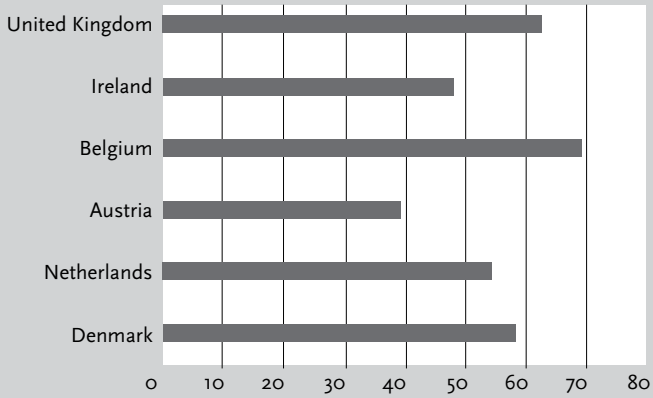
Kemeny assumes that a close relationship exists between the social structure and the ideology of a given society and the way in which the rental market

4 It should be noted that the rent levels in the Belgian and Irish social rental sectors are dependent on the income of the tenants.

5 The rent levels for the private rental sector in the Netherlands have been reweighed according to the Dutch national housing demand survey 2002.

6 It should be noted that differences in housing quality might contribute to this as well. Table 4.3 shows that, in presumed integrated rental systems, the social rental sector has a higher housing quality than the private rental sector, whereas it is the other way around in presumed dualist rental systems (with the exception of the UK).

Figure 4.2 Percentage of households from the lowest 33.3 per cent income group in the social rental sector of the six EU countries, 2001



Source: European Commission, Eurostat, European Community Household Panel, 2001 (UDB)

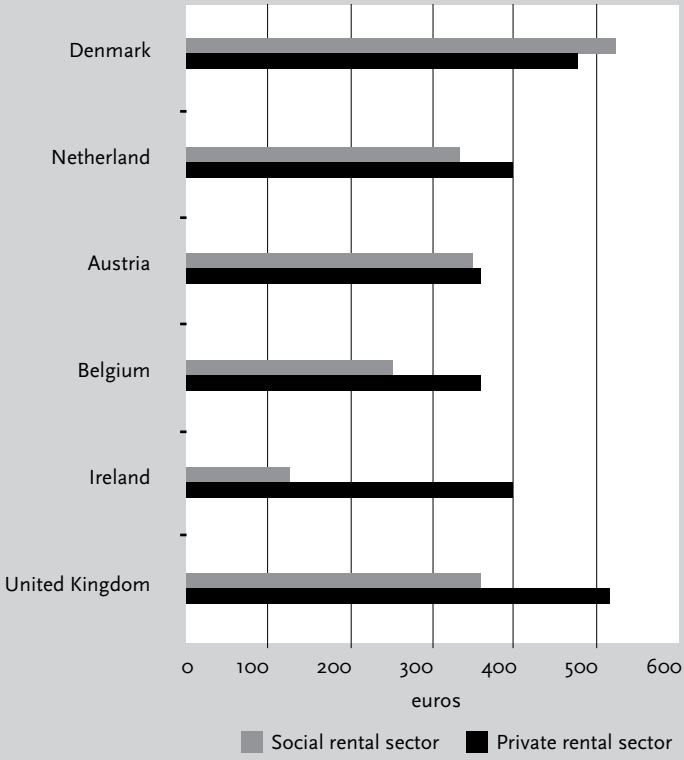
in this society is organised. He draws a distinction between societies with an integrated rental system (the social rental sector and the private rental sector compete with each other in one and the same market and are largely subject to the same kind of rent regulation) and societies with a dualist rental system (compartmentalisation of the rental market, no direct competition between the social rental sector and the private rental sector, strong regulation of rents in the social rental sector, limited or no rent regulation in the private rental sector). The differences between these two types of rental system are reflected in the government's housing policies on the one hand and in the characteristics of the dwellings and their residents on the other. Kemeny focuses on the former aspect (housing policies) and provides only circumstantial evidence for the latter (housing outcomes). Thus, one could say that Kemeny only offers a partial underpinning for his typology.

In an attempt to fill this void, this paper has examined whether Kemeny's typology of rental systems is supported by empirical data on housing outcomes. For this purpose, the typology was translated into four hypotheses on how integrated rental systems and dualist rental systems should differ from each other. The hypotheses were explored with the aid of data from the European Community Household Panel (ECHP). Six EU countries were included in this deductive exploratory analysis: three were presumed integrated rental systems (the Netherlands, Denmark and Austria) and three were presumed dualist rental systems (UK, Ireland and Belgium).

It emerged that

1. Dualist rental systems have a larger owner-occupancy sector than integrated rental systems.
2. The housing quality differences between the owner-occupancy sector and the social rental sector are slightly greater in dualist rental systems than in unitary rental systems.
3. Residualisation of the social rental sector is greater in dualist rental systems than in integrated rental systems (although the data for Ireland devi-

Figure 4.3 Gross monthly rent in the social rental and the private rental sector in the six EU countries in 2001 (in euros)



Source: European Commission, Eurostat, European Community Household Panel, 2001 (UDB)

ate from the anticipated pattern).

4. In dualist rental systems, private rental dwellings have a higher rent than social rental dwellings. In integrated rental systems, only limited differences exist between rent levels for private rental dwellings and social rental dwellings. All in all, one can conclude that the results reported in this paper provide reasonable empirical support for Kemeny's rental system typology. The housing outcomes in the presumed dualist rental systems are indeed different from the housing outcomes in the presumed integrated rental systems. This shows that divergence theories, such as the rental system typology that was tested in this paper, are applicable and relevant.

At the same time, some important questions remain unanswered. Why is the residualisation in Ireland lower than one would expect on the basis of Kemeny's typology? Do these research findings indicate a potential flaw in Kemeny's typology or are they due to the data limitations of the ECHP? In order to answer the latter question, more detailed research in the countries concerned is needed.

Furthermore, the results of this analysis do not necessarily mean that the

theory that underlies the rental system typology is completely valid. To test this theory thoroughly, one should not only analyse the housing outcomes, but also the housing policies, economic processes and institutional strategies that underlie these housing outcomes. Do these correspond with the mechanisms predicted in Kemeny's theory or are there different processes at work? Some research has already been carried out in this domain by Hoekstra (2003) and Elsinga *et al.* (2005 and 2008) but only in relation to the Netherlands. Broadening this research to other countries is therefore desirable.

Last but not least, the question remains as to whether the observed differences are structural or temporal. Are the differences between dualist rental systems and integrated rental systems widening (divergence) or narrowing (convergence)? As Section 4.6 shows, there are some clear signs that the integrated rental systems in particular are being 'threatened' by the reorganisation of the welfare state and by specific housing policies that prevent them from developing further. Another perhaps equally important threat lurks in the rules of the European Union. Integrated rental systems appear to be at odds with the 'free market' envisaged by the European Union. After all, the basis of an integrated rental system is full competition between the non-profit social rental landlords (which often still enjoy some form of state support) on the one hand, and the profit-oriented private rental landlords on the other. There are indications that this competition is unequal, as the conditions are often not the same for both types of landlord. In economic terms: there is no level playingfield. In the summer of 2005, the European Commission wrote to the Dutch government, indicating that the Dutch social rental sector should limit its size by focusing more on the lowest-income groups. Even though it is far from clear whether the European Union is really empowered to demand a reorganisation of the Dutch social rental sector, this letter indicates beyond doubt that integrated rental systems in Europe are under mounting pressure. Only time will tell whether they will be able to maintain their special position, or whether they will be 'forced' to develop in the direction of a dualist rental system.

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5 Homeownership and housing satisfaction

Marja Elsinga and Joris Hoekstra, 2005, Journal of Housing and the Built Environment, 20 (4): 401-424

Abstract
Homeownership is encouraged by many governments because it is supposed to have a positive effect on both the individual and society as a whole. Homeownership is assumed to be preferred over renting, because it provides greater security, more freedom, financial advantage and therefore higher housing satisfaction. This theory has been developed and mainly tested in English-speaking countries. A number of researchers, most notably from continental Europe, have criticized the perceived superiority of homeownership and the effects that are ascribed to it by these theories. They state that, wherever there is a well-developed rental sector, renting represents an adequate and acceptable alternative to homeownership. It can also be questioned whether the theory can be confirmed for Southern Europe, where homeownership seems to be part of a family tradition and not a choice.

This paper uses the European Community Household Panel to test if homeowners are more satisfied with their housing situation than tenants. The results indicate that homeowners in seven out of eight countries are more satisfied with their housing situation than tenants. Only in Austria do homeowners and tenants display a similar level of housing satisfaction.

Key words: homeownership, European Community Household Panel, housing satisfaction

5.1 Introduction

In many countries, one of the objectives of housing policy is to encourage private homeownership. This policy objective is based on the assumption that owning one's own house has a positive effect on the individual and on society as a whole. Homeownership, it is thought, will lead to greater housing satisfaction and greater self-esteem. This paper focuses on the appreciation of homeownership by individual homeowners and elaborates on theories explaining and proving that homeownership is beneficial for individual households. Most of these theories have been developed in English-speaking countries. Critics of the theory emphasize that the perception and meaning of homeownership depend on the national institutional context. In countries with a well-developed rental sector and security of tenure, a rental dwelling is probably a very acceptable alternative to homeownership.

Empirical evidence for the theories presented is mostly drawn from surveys conducted in several cities in a single country and mainly tested in English-speaking countries. This paper attempts to extend this discussion to other countries by making an international comparison. For this purpose, it uses the European Community Household Panel (ECHP), a database with compa-

rable data from a range of countries. This database is very suitable for international comparisons and enables us to control for variables such as housing quality and social-economic status of the household. We focus on the relationship between housing tenure and housing satisfaction and test for a number of countries whether homeowners are more satisfied with their housing situation than tenants.

The paper starts with an overview of the literature on this topic in Section 5.2 and then presents the results of the analysis of the ECHP in Section 5.3. Finally, the paper draws some conclusions and discusses the possible implications for further research and for housing policy in Section 5.4.

5.2 Theories on the meaning and effects of homeownership

5.2.1 Homeownership as an ideal

Homeownership as natural desire and source of housing satisfaction

Saunders (1990) offers a full account of his theories in the book *A Nation of Homeowners*. Central to this work is the assumption that people have a natural preference for homeownership rather than renting accommodation as tenants. Saunders believes that this preference should be a leading factor in housing policy. In other words, the government should encourage and facilitate homeownership. Saunders seeks to explain this natural preference in terms of people's 'possessive instinct' and the desire to mark out their own territory (p. 70). Alongside such innate traits, there are many other reasons for preferring homeownership above renting. First, there is the argument that homeownership will, in the long term, be more financially attractive than renting. It also provides a feeling of autonomy, security and personal identity. Saunders points out that the preference for homeownership is particularly marked in the English-speaking countries. To explain this phenomenon, he looks back in time and concludes that individualism was a national characteristic of the English long before the eighteenth-century 'Age of Enlightenment'. Indeed, individualism and a concern for private property have been an essential part of the English culture for more than seven hundred years.

A number of studies have examined whether there really is a 'natural preference' for homeownership. Gurney (1999a, b) adopts a social-constructive approach in examining the significance attached to homeownership, reflecting on the metaphors that are generally attached to purchase and renting respectively. His conclusion is that homeownership is now increasingly seen as 'the norm' in Great Britain, whereupon tenants are viewed as an 'outsider group'. As a result, homeownership is perhaps mistakenly seen as an innate 'natural' preference.

The American Dream: homeownership is beneficial to the individual and society

Rohe *et al.* (2001) have collated studies into the benefits of homeownership based chiefly on the American and Australian literature. They not only present a general overview but also offer a theoretical foundation for the alleged benefits of homeownership. The studies revolve around the proposition that homeownership is beneficial to both the individual and the wider community. It serves to promote health, happiness and social involvement. Self-esteem is an important factor in individual wellbeing and is largely determined by how a person believes others see him (Rohe *et al.,* 2001). Given that homeowners are usually accorded a higher social status, homeownership can promote self-esteem because the homeowner assumes that others will grant him a certain status based on this factor alone. Self-esteem is influenced by the individual's impression of how others perceive him. Homeownership may then give a feeling of 'achievement'. Finally, self-esteem can be influenced by actual achievements: the purchase of property can be regarded as a significant achievement. Perceived self-esteem is an important factor in the housing satisfaction and the general wellbeing of the individual. The relatively high housing satisfaction of owner-occupiers is due to the fact that they have attained 'the American Dream'. The ability to maintain, decorate and modify the home to one's own taste is also an important factor. Last but not least, homeownership serves to create wealth through appreciation and decreasing mortgage liabilities.

Empirical research conducted in surveys in the United States (Rohe and Stegman, 1994; Rossi and Weber, 1996) and also in the Netherlands (Elsinga, 1995) demonstrates for a number of cities/neighbourhoods conclusively that homeowners display a higher degree of housing satisfaction than tenants.

A study conducted in the United Kingdom provides some evidence in support of the hypothesis that self-esteem is greater among homeowners than among tenants (Saunders, 1990). However, an assessment of the differences in self-esteem between the two groups in the United States indicates that the main determinant is not ownership itself but the quality of the home. Nevertheless, owner-occupiers do believe that the purchase of a home has improved their quality of life (Rohe and Stegman, 1994).

A fragmented and differentiated owner-occupied sector

Besides the support for these theories voiced in the UK and the USA, they have also been criticized. A number of British researchers (Karn *et al.,* 1985; Murie, 1986; Forrest *et al.,* 1990) have examined the rapid growth of homeownership in the United Kingdom following the introduction of the 'Right-to-Buy' legislation. They conclude that the growth of the owner-occupied sector, and in particular the increase in the number of low-income homeowners and properties in the less desirable areas, has led to a significant differentiation

within the sector. The crux of their analysis and hypotheses is that the advantages generally ascribed to homeownership do not apply to all owner-occupiers. "Homeownership may be a game that all can play, but the chances of winning are skewed heavily in certain directions". People with lower incomes will frequently buy property in the less desirable neighbourhoods, whereby the benefits are fewer and less marked. Moreover, they are frequently unable to undertake proper maintenance and are unable to move elsewhere. There is a risk that these homeowners will be 'trapped' in a poorly maintained house in a run-down neighbourhood. In that case, there are therefore no individual or social advantages, but rather individual and social disadvantages.

5.2.2 The meaning and effects of homeownership depend on the context

It is interesting to note that the theories relating to the benefits of homeownership are usually formulated by observers in the English-speaking countries. A number of authors question the validity of these theories when considering other countries. They suggest that in the English-speaking countries, the importance of homeownership has been over-emphasized and raised to the status of 'ideal' purely because no satisfactory alternative exists. In English-speaking countries, owning a home therefore represents basic security and social success.

The unitary rental market as alternative

Kemeny's interest in ownership forms was awakened in 1972 when he, an Englishman, arrived in Sweden. He was surprised to note that so few Swedes seemed to be interested in homeownership, regarding rented accommodation as a viable long-term prospect. In the years which followed, Kemeny developed a theory which seeks to explain why homeownership is regarded as the norm for the British middle class, while rented accommodation forms a perfectly acceptable alternative for most Swedes (Kemeny, 1981). He draws a distinction between 'homeowning societies' and 'cost-rental societies'. In the former (the United Kingdom, United States, Australia and New Zealand) there is an extensive private housing market and the government promotes homeownership. The rental market has a dualistic character: social housing is in limited supply, strictly regulated, subsidized and reserved for the most vulnerable social groups whereby a degree of stigma attaches to it. This social housing sector is strictly separated from the commercial rental sector in which market prices apply.

The 'cost-rental societies', common in continental Europe, represent a 'unitary market'. According to Kemeny, this type of rental market is characterized by well-developed supply of rental dwellings and rents that are established on the basis of the actual cost price. Kemeny suggests that rental dwellings in

these cost-rental societies could be considered as a satisfying alternative to an owner-occupied dwelling.

Basic security in a well-developed rental sector

Like Kemeny, Behring and Helbrecht (2002) have sought an explanation for the low penetration of homeownership in relatively prosperous countries in continental Europe. Their study is particularly interesting in that it focuses on Germany, Austria and Sweden while also drawing comparisons with the Netherlands, Spain and the United Kingdom. It presents the history, underlying mentality and form of the housing market for each country. The authors arrive at the conclusion that, in the English-speaking countries and the countries of Southern Europe, homeownership is actually essential to acquire a degree of personal security and to offset individual risk. In the Southern European countries, the security of the extended family is a prime concern, while in the English-speaking countries the focus is on the financial independence of individual households. In the latter countries homeownership stands for security and success, as described by Saunders.

In prosperous countries, which have an effective social security system, this basic security will also extend to the rental sector in the form of tenancy protection. This in turn will render the rents so high that some subsidies will be required to maintain affordability. The rental sector allows people some freedom in that they are not obliged to enter into homeownership at an early age, whereupon they will be obliged to moderate their spending in other areas for some time to come. The authors conclude that in Germany, Austria and Switzerland there is really no necessity to enter into homeownership for the purposes of acquiring basic security and social acceptance. The decision to do so is entirely a matter of personal choice and can be made purely in the interests of satisfying individual housing preferences.

Through a study of historical development, mentality and government policy (as an expression of that mentality), Behring and Helbrecht (2002) draw conclusions regarding the significance of homeownership. In the English-speaking countries, homeownership is a precondition of a feeling of security and an indicator of success. This is reflected by housing and fiscal policies, which actively encourage homeownership and which accord the social rental sector the status of a 'safety net'. The low proportion of owner-occupied properties in Switzerland, Austria and Germany is attributed to the effectiveness of the welfare state, which renders it unnecessary to own a property in order to experience a sense of security. Tenancy protection laws play a significant part here, besides the fiscal support for landlords and the size, quality and status of the rental sector. In these countries, people may prefer homeownership as a means of personal expression but there is no necessity to own. This offers people greater freedom than their counterparts in the English-speaking countries, the latter feeling obliged to buy, whereupon their purchasing power

in other areas is restricted during their early adult years.

Empirical research conducted in some cities in the Netherlands reveals that security and freedom, subjective factors which Saunders states are inextricably linked to homeownership, are also determining factors in the choice of rented accommodation. In the Netherlands the security factor is represented by the lack of any long-term capital risk and by the tenancy protection and price capping which are established features of the Dutch system. Freedom is represented by the individual's mobility: the tenant is able to move elsewhere at short notice. For many of those who have opted for rented accommodation, these advantages formed the decisive factors in that decision (Elsinga, 1995).

Homeownership in Southern Europe

The Southern European EU countries (Spain, Italy and Greece) are characterized by relatively high rates of homeownership (see also Figure 5.1) and a limited social rental sector. There are different explanations for this phenomenon. Some authors, for example Castles and Ferrera (1996), state that the preference for homeownership is part of the cultural heritage, whereas others point to the specific nature of the Southern European housing policies and housing provision systems. As far as the latter aspect is concerned, it is generally accepted that the Southern European distribution of tenures reflects policies which have strongly supported the growth of homeownership while discouraging rented housing through legislation strongly favouring tenants at the expense of landlords. Contrary to for example Germany, where tenant protection goes hand in hand with fiscal support for landlords, such policies discourage investment in rental dwellings in Southern Europe. We think that the cultural and the policy explanation are complementary to each other. The Southern European culture of homeownership is probably the result of a generalized response by households in the context of housing policies and markets, which offered no alternatives (Allen *et al.*, 2004, p. 20).

Behring and Helbrecht (2002) reach the conclusion that most people in Spain own a property. In this relatively poor country, the family network is regarded as a form of social security and is often called up as a source of financing for the home. It seems that in Southern European countries homeownership is part of a family tradition rather than a choice. The question is whether the advantages of homeownership are perceived in a similar way as described by Saunders.

5.2.3 Towards hypotheses

An owner-occupier of a property has the right to determine how that property is used, maintained, fitted out, decorated and, eventually, disposed of. Based on these rights, homeownership is generally associated with security, freedom, independence, responsibility and involvement. Furthermore, the ap-

preciation of the property and the development of personal equity through the gradual repayment of the mortgage loan are regarded as a financial benefit. The whole package of rights, duties and investment results in a natural preference for homeownership in English-speaking countries, according to the theory described by Saunders. Therefore housing policy should encourage people to become homeowners.

Housing policy, however, not only influences the development of housing tenures but also contributes considerably to the status and the attractiveness of both tenures. Kemeny (1995) and Behring and Helbrecht (2002) point out that people in countries with a well-developed rental sector do not rely on the owner-occupied sector for their basic security. Government policy serves to ensure that the rental sector remains a reasonable alternative to homeownership. Such policy has a major influence on the attractiveness of homeownership as opposed to renting. On the one hand, this concerns policy towards the rental sector including tenure protection, subsidies and rent regulation. On the other hand, the policy towards the owner-occupied sector is relevant; to what extent do fiscal policies stimulate homeownership? In countries with a well-developed rental sector and a tenure-neutral policy, a rental dwelling is a satisfying alternative to homeownership.

Just as in the English-speaking countries, homeownership seems to be the norm in Southern Europe. However, in these countries homeownership may be more a matter of family tradition and a lack of rental dwellings than an innate preference. The question is whether homeownership is appreciated to a similar extent as in English-speaking countries.

Table 5.1 summarizes the above description of three groups of countries and presents hypotheses that can be tested with the help of the ECHP. The table also provides an overview of the countries that are included in our analysis.

When testing the relation between tenure and housing satisfaction, not only the rights and duties but the whole packages, including the effects of housing policy and culture, are the object of analysis (see Table 5.1). The ECHP enables us to test whether the housing satisfaction of homeowners compared to tenants varies from country to country. Such an analysis, however, cannot clarify the causality of the statistical relations that are found. If homeowners appear to be more satisfied than tenants, one can only guess if this is due to the characteristics of the tenure, the effects of policy, cultural influences or some other factor.

Moreover, when comparing housing satisfaction between tenure categories, the quality of the dwelling and the social-economic status of the household will have an impact. Compared to the rental sector, the quality of owner-occupied dwellings and the social-economic status of the homeowners are in general higher. A higher housing satisfaction of homeowners might therefore be caused by higher housing quality and higher status. Fortunately, the ECHP makes it possible to control for such variables.

Table 5.1 Summary of theory and hypotheses

	English-speaking countries	Countries with well-developed rental sector	Southern European countries
Summary of theory	Natural preference for homeownership Homeownership provides security, freedom, financial advantage	Tenant protection Subsidies for renting Rent regulation Renting is good alternative to owning	Homeownership is family tradition No alternative to homeownership
Hypothesis	Homeowners are more satisfied with housing situation than tenants	Homeowners are not more satisfied with housing situation than tenants	Homeowners are more satisfied with housing situation than tenants
Selected countries	United Kingdom Ireland	Austria Netherlands Denmark	Spain Italy Greece

5.3 Homeownership and housing satisfaction: a comparative statistical analysis

As we saw in Section 5.2, various studies have established empirical evidence supporting the idea that homeownership is more advantageous to the individual than renting a property. However, these studies considered the situation in one or more cities in a single country. A complete overview of the appreciation of homeownership in the various countries of the European Union has not yet been provided. The analysis that is carried out below attempts to fill this void.

First of all, Section 5.3.1 describes the data and the selection of countries. Subsequently, Section 5.3.2 gives insight into the share of the different tenure categories in the various selected EU countries. This provides the context for the analyses that are carried out in sections 5.3.3-5.3.6. In these sections, the relationship between tenure category, on the one hand, and housing satisfaction on the other is statistically analysed using cross tabulation and multiple regression analysis. These statistical analyses allow us to draw conclusions with regard to the validity of the hypotheses that were formulated in Section 5.2 (Table 5.1).

5.3.1 Data and selection of countries

Data

The ECHP is the data source on which the analyses that are carried out in this section are based. The ECHP survey asks households in all EU countries (EU15) questions about their employment status, financial situation, state of health and housing situation. Because the ECHP survey is conducted in a standardized manner throughout the European Union (the same questions are asked in each country), the resulting ECHP database is very suitable for use in international comparative housing studies. On the level of countries, the survey involves a sample group of between 1,760 households (Ireland) and 5,570

households (Italy). The ECHP data used in this paper is that for the year 2000 (United Kingdom) and 2001 (all other selected EU countries).

When interpreting the results of this paper it should be kept in mind that the analyses that we carry out are not without shortcomings. First of all, it should be realized that the ECHP is a sample and that it is not specifically constructed for conducting international comparative housing research. Consequently, the figures that are produced on the basis of the ECHP may not always be perfectly reliable and accurate. In some cases, there may even be significant differences between the ECHP figures and the 'official' housing statistics. However, for the kind of analyses that are carried out in this paper, this should not be too much of a problem. After all, the paper is not about detailed housing developments in one particular country but about broad and structural differences between the housing systems of a number of selected countries.

Selection of countries

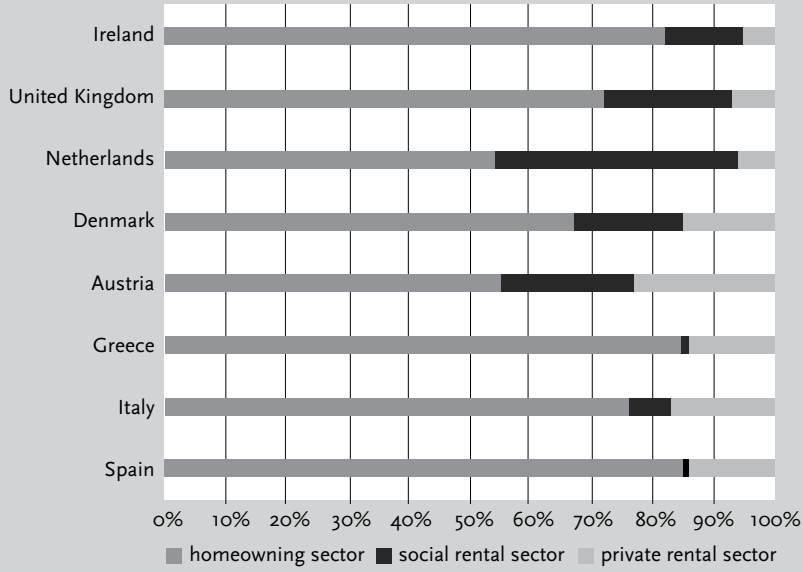
Table 5.1 distinguishes three different groups of countries for each of which a separate hypothesis has been formulated. Obviously, this implies that the hypotheses can only be adequately tested if countries from each of these three groups are included in the analysis. For this purpose, we selected the two English-speaking EU countries (Ireland and the United Kingdom), three countries with a well-developed rental sector (Austria, the Netherlands and Denmark) and three Southern European countries (Spain, Italy and Greece).

Unfortunately, the ECHP data did not allow us to include Germany and Switzerland, two countries which feature prominently alongside Austria in Behring and Helbrecht's research. Nor was it possible to include Sweden, the 'classical' example of a unitary rental market. This is due to the fact that for Germany and Sweden, some of the housing data is missing in the ECHP, whereas Switzerland, not being member of the European Union, is not covered by the ECHP survey.

5.3.2 Tenure sectors in the selected EU countries

Figure 5.1 shows the share of the homeowning sector, the social rental sector and the private rental sector in the eight selected EU countries. Based on the figure, we can conclude that the highest degree of home ownership can be found in the English-speaking and the Southern European EU countries. However, there is one important difference between these two groups of countries. Whereas social rental dwellings dominate the rental sector in the English-speaking EU countries, the Southern European EU countries are characterized by a very limited social rental sector and a comparatively large private rental sector. In the Netherlands, Austria and Denmark there is a substantial rental sector. In the Netherlands, this sector mainly consists of social rental

Figure 5.1 Share of the homeowning and rental sectors in eight EU countries, 2001



Source: European Commission, Eurostat, European Community Household Panel (ECHP), 2001 (UDB)

dwellings, but in Austria and Denmark the social rental and the private rental sector are of comparable size.

5.3.3 Homeownership and housing satisfaction

The ECHP information has been analysed to gain an insight into the relationship between homeownership and housing satisfaction. More specifically, we have sought to answer the following two questions:

1. To what extent are there differences in housing satisfaction between home owners and tenants, controlling for relevant intervening variables such as housing quality, household characteristics and housing costs?
2. To what extent does the relationship between tenure category and housing satisfaction vary between the three groups of countries that were distinguished in Table 5.1?

The ECHP measures the housing satisfaction of households using the question: How satisfied are you with your housing situation? Respondents can answer by means of a six-point scale, where 1 indicates not satisfied at all and 6 fully satisfied. Table 5.2 shows the scores on this housing satisfaction component for homeowners and tenants, as both serial percentages and averages.

As can be seen from the table, homeowners in all countries are generally very satisfied with their current housing situation. The vast majority provide a rating of 4, 5 or even 6. The most satisfied of all are the Austrian, British and Danish homeowners, with averages of 5.36, 5.29, and 5.27, respectively, while those in the Southern European countries are least satisfied. Among the ten-

ants, those in Austria, the United Kingdom and Denmark are most satisfied, while the Southern European countries once again show the lowest relative scores.

However, this paper is not so much concerned with the absolute satisfaction level of tenants and homeowners, but rather with the differences between these two groups of households. Accordingly, the right-hand column of Table 5.2 shows the ratio of homeowner satisfaction to tenant satisfaction. The ratio reveals that tenant satisfaction is markedly lower in all the selected EU countries. As far as this is concerned, there are no clear differences between the three groups of countries that we have distinguished in our analysis.

Based on Table 5.2, it is tempting to conclude that, in all selected EU countries, homeowners are more satisfied with their housing situation than tenants. However, this conclusion would be premature because the observed differences may also be due to differences in housing quality, household characteristics and/or housing costs. In order to correct for these factors, a multiple regression analysis has been carried out. The next three sections deal with the variables, the method and the results of this regression analysis.

5.3.4 Multiple regression: variables

In this section we try to find out whether the differences in housing satisfaction between homeowners and tenants remain valid when we adjust for possible tenure-related differences in housing quality, household characteristics and housing costs. In order to make such adjustments, we carry out a multiple regression analysis in which the tenure category, the housing quality, the household characteristics and the housing costs are included as predictor variables, whereas the housing satisfaction serves as the dependent variable. In the rest of this section, the three 'groups' of predictor variables, besides tenure category, are briefly discussed.

Housing quality

Housing quality is an important determinant of housing satisfaction. The better the quality of the dwelling, the more satisfied the occupant of this dwelling is expected to be. Since housing quality in the owner-occupied sector is in general higher than in the rental sector, it is important to separate the effect of housing quality from the effect of housing tenure. Housing quality, however, cannot be represented by one single variable. It is a broad concept that encompasses many housing aspects and has both an objective and a subjective dimension. As far as this objective dimension is concerned, four aspects are of particular importance: the dwelling type, the number of rooms, the pres-

Table 5.2 The relationship between tenure and housing satisfaction in the selected EU countries: serial percentages and averages, 2000 (United Kingdom) and 2001 (other Selected countries)

Country	Type of tenure	Housing satisfaction						Average	Ratio owner/tenant
		1	2	3	4	5	6		
Ireland	owner (n = 1409)	1	2	5	14	32	46	5.12	
	tenant (n = 314)	11	8	9	22	28	22	4.16	
	total (n = 1723)	3	3	6	15	32	41	4.95	1.23
United Kingdom	owner (n = 3298)	1	2	5	11	22	59	5.29	
	tenant (n = 1361)	5	5	8	16	21	45	4.79	
	total (n = 4659)	2	3	6	12	22	55	5.14	1.10
Netherlands	owner (n = 2615)	0	0	2	11	47	39	5.21	
	tenant (n = 2235)	2	5	9	21	38	25	4.64	
	total (n = 4850)	1	2	6	16	43	32	4.95	1.12
Denmark	owner (n = 1523)	0	0	3	12	39	46	5.27	
	tenant (n = 751)	2	5	12	15	34	32	4.71	
	total (n = 2274)	1	2	6	13	37	41	5.08	1.12
Austria	owner (n = 1408)	1	1	2	9	33	54	5.36	
	tenant (n = 1132)	2	2	6	14	33	43	5.04	
	total (n = 2540)	1	2	4	11	33	49	5.22	1.06
Greece	owner (n = 3305)	1	8	23	33	27	8	4.00	
	tenant (n = 587)	3	12	25	35	22	3	3.71	
	total (n = 3892)	2	9	23	33	26	7	3.95	1.08
Italy	owner (n = 4247)	1	6	15	28	34	16	4.37	
	tenant (n = 1327)	7	13	24	26	22	8	3.66	
	total (n = 5574)	3	7	17	27	32	14	4.20	1.19
Spain	owner (n = 4185)	1	4	11	23	42	19	4.56	
	tenant (n = 742)	5	7	17	25	36	10	4.12	
	total (n = 4927)	2	5	11	24	41	17	4.50	1.11

Source: European Commission, Eurostat, European Community Household Panel (ECHP), 2000 and 2001 (UDB)

ence of facilities and the condition of the dwelling[1]. The first two aspects are included in the analysis as separate variables, whereas the latter two have been integrated in a so-called housing quality index, the structure of which is presented in Table 5.3. The subjective dimension of housing quality is represented by the variable 'shortage of space' (Does the accommodation have shortage of space?).

Household characteristics

Tenants tend to have other household characteristics than homeowners, which might have had an effect on the observed differences in housing satisfaction (Table 5.2). In order to correct for this possible influence, the following three household characteristics are included in the multiple regression mod-

1 It should be noted that the variables that refer to this issue may have a subjective dimension as well because they are based on judgements of the respondents (Does the accommodation have rot in window frames or floors?).

Table 5.3 Housing quality index: structure

Aspect	Points
Bath or shower	1 point if present
Lavatory	1 point if present
Adequate heating	1 point if present
Garden or balcony	1 point if present
Natural light	1 point if no lack of light
Condition of roof	1 point if in good condition
Damp problems	1 point if no damp problems
Dry/wet rot	1 point if no dry/wet rot

el: age, household size and net household income.

Housing costs

The housing costs are expected to have a significant influence on the housing satisfaction. High housing costs are expected to result in a relatively low housing satisfaction, especially if the relationship between housing costs and housing quality is not optimal. The ECHP contains information on the housing costs for both homeowners (monthly mortgage repayments) and tenants (monthly rent). However, since owning and renting are two fundamentally different tenure sectors, it would not be correct to integrate these two variables into one single variable. After all, homeowners accumulate capital returns but also bear maintenance costs, whereas tenants 'just' pay a monthly rent. This incomparability of 'objective' housing costs between homeowners and tenants is the reason why we have decided to use a subjective indicator instead, namely the opinion of the household with regard to the housing expenditure.

One dependent variable and nine predictor variables

Table 5.4 offers a complete overview of all the variables that are used in the regression analysis. The housing satisfaction serves as the dependent variable. As far as this is concerned, it should be noted that the formal conditions for a linear multiple regression analysis are not completely met. Strictly speaking, such an analysis requires the dependent variable to be of an interval or ratio scale, while in this instance the housing satisfaction has been measured on a six-point ordinal scale. However, for the purposes of an indicative analysis, as offered by this paper, this problem is of minor importance. The predictor variables comprise both nominal variables and ratio variables. The five nominal variables have been encoded as 'dummy' variables, whereas the four ratio variables are included in the analysis without further modifications.

5.3.5 Multiple regression: a stepwise methodology

A separate multiple regression analysis was conducted for each selected EU country. In this analysis, a stepwise (phased) methodology was followed. In the first phase, only the 'type of tenure' (owner or tenant) variable is taken into account. The housing quality variables are then introduced in phase 2, with the household variables in phase 3 and the households' perception of housing

Table 5.4 Variables in the regression analysis

Variable	Measurement level	Categories
Housing satisfaction (dependent variable)	ratio (ordinal)	1 = not satisfied at all, 6 = very satisfied
Type of tenure (owner/tenant)	nominal (dummy)	0 = rented accommodation 1 = owner-occupied accommodation
Housing quality index	ratio	Value 0 to 8 (see Table 5.3)
Dwelling type	nominal	0 = apartment 1 = single-family dwelling
Number of rooms	ratio	1 to 6 rooms (values in excess of 6 are counted as 6)
Space shortage in dwelling?	nominal (dummy)	0 = space shortage 1 = no space shortage
Age of the respondent	ratio	Years
Income	ratio	Net household income (in local currency)
Size of household	nominal (dummy)	0 = single-person household 1 = two or more persons
Opinion on housing expenditure	nominal (dummy)	0 = housing costs are problematic 1 = housing costs are not problematic

costs added in phase 4. Table 5.5 shows the standardized regression coefficients (beta coefficients) and the explained variance (R square) for each country and for each of the four phases.

5.3.6 Multiple regression: interpretation of the results

In the first step of the analysis, only the 'type of tenure' variable is introduced into the regression analysis. The beta coefficient for this variable is statistically significant and positive for all countries. This indicates that, without controlling for other relevant variables, there is a positive relationship between the dummy variable 'type of tenure' (0=rented, 1=owner-occupied) and the variable 'housing satisfaction': homeowners show a higher level of housing satisfaction than tenants.

In phase 2, the four housing quality variables are introduced into the model. This results in a reduction in the values of the beta coefficients for the variable type of tenure. This reduction is rather substantial in all countries, with the exception of Greece and Spain. Thus, one can conclude that in general, tenure category, housing quality and housing satisfaction are strongly related to each other. Owner-occupied dwellings tend to have a higher housing quality than rental dwellings, which partly explains the higher housing satisfaction of homeowners compared to tenants (see Hoekstra, 2005a for more information on this issue). Nevertheless, also after controlling for the tenure-related housing quality differences, the beta coefficients for the variable 'type of tenure' remain positive and statistically significant in all countries except Austria.

Of the four housing quality variables that are introduced in step 2 of the analysis, the housing quality index and the subjective perception of the dwelling size (is there or is there not a shortage of space?) have the largest

Table 5.5 Beta parameters and explained variance (R square) in the regression analysis for the eight selected EU countries, 2000 (UK) and 2001 (all other selected countries)

Model	Variables	IRL	UK	NL	DK	A	GR	I	ES
1	Type of tenure	0.30	0.19	0.27	0.24	0.19	0.11	0.26	0.16
	Housing quality index								
	Type of dwelling								
	Number of rooms								
	Shortage of space?								
	Income								
	Size of household								
	Age								
	Housing expenditure								
	R square	0.09	0.04	0.07	0.06	0.04	0.01	0.07	0.03
2	Type of tenure	0.23	0.11	0.15	0.10	*0.04*	0.09	0.17	0.10
	Housing quality index	0.34	0.21	0.18	0.14	0.30	0.30	0.22	0.25
	Type of dwelling	*0.04*	*0.03*	0.08	0.10	-0.08	-0.06	0.04	*-0.03*
	Number of rooms	*0.01*	0.05	*-0.01*	*-0.03*	0.12	0.24	0.10	0.10
	Shortage of space?	0.12	0.08	0.30	0.38	0.31	0.13	0.20	0.23
	Income								
	Size of household								
	Age								
	Housing expenditure								
	R square	0.23	0.09	0.21		0.24	0.26	0.21	0.19
3	Type of tenure	0.19	0.10	0.18	0.13	*0.04*	0.10	0.16	0.10
	Housing quality index	0.36	0.20	0.17	0.13	0.31	0.28	0.21	0.25
	Type of dwelling	*0.03*	*0.03*	0.07	0.08	-0.09	-0.04	0.04	*-0.03*
	Number of rooms	*0.00*	0.08	*0.01*	*0.00*	0.15	0.19	0.09	0.10
	Shortage of space?	0.11	0.05	0.27	0.32	0.29	0.15	0.21	0.23
	Income	0.10	0.06	*0.00*	*-0.03*	*0.03*	0.13	*0.09*	*-0.01*
	Size of household	*-0.03*	-0.05	*0.00*	*-0.02*	-0.06	*0.01*	*0.00*	*0.02*
	Age	0.14	0.21	0.15	0.16	0.05	*-0.01*	*0.01*	*-0.01*
	Housing expenditure								
	R square	0.25	0.14	0.23	0.27	0.28	0.27	0.22	0.19
4	Type of tenure	0.19	0.09	0.18	0.12	*0.02*	0.10	0.16	0.09
	Housing quality index	0.36	0.19	0.17	0.13	0.31	0.28	0.21	0.25
	Type of dwelling	*0.03*	*0.03*	0.07	0.09	-0.08	-0.04	0.04	*-0.03*
	Number of rooms	*0.00*	0.08	*0.01*	*0.00*	0.15	0.19	0.09	0.10
	Shortage of space?	0.11	0.05	0.27	0.32	0.29	0.15	0.21	0.23
	Income	*0.09*	0.06	*0.00*	*-0.03*	*0.01*	0.13	0.09	*-0.02*
	Size of household	*-0.02*	-0.05	*0.00*	*-0.02*	-0.06	*0.01*	*0.00*	0.03
	Age	0.13	0.20	0.15	0.14	0.04	*-0.01*	*0.01*	*-0.02*
	Housing expenditure	0.05	0.08	*0.02*	0.06	0.09	*0.01*	*0.01*	0.05
	R square	0.25	0.14	0.23	0.27	0.29	0.27	0.22	0.19

Parameters which are not statistically significant ($P < 0.05$) are shown in italics.

influence on the housing satisfaction. By contrast, the influence of the objective size of the dwelling (number of rooms) is negligible in most countries. Only in Austria and the Southern European EU countries is this variable of

some importance. In all countries, the introduction of the housing quality variables within the regression model leads to a substantial improvement of the explained variance (R square) of the dependent variable 'housing satisfaction'.

Phase 3 involves introducing the variables 'age', 'income' and 'size of household'. The influence of the variable 'age' largely differs between countries. In some countries, the age of a household has a clear positive autonomous influence on its housing satisfaction, while in other countries, such as the Southern European EU countries, this influence is statistically insignificant. In four of the eight selected EU countries, the income level does not have an autonomous influence on housing satisfaction. Only in the English-speaking EU countries and the Southern European countries Italy and Greece does this variable have a statistically significant positive coefficient. The variable 'size of the household' is either statistically insignificant or of limited importance in all eight selected EU countries. The introduction of the three household variables into the regression model does not bring about big changes in the coefficients for the variable 'tenure type'. Nor does it result in a significant increase in the amount of variance that is explained by the different multiple regression models.

In the fourth phase, the variable 'opinion regarding housing expenditure' is added to the regression model. When controlled for the other variables in the model (as happens when all these variables are included in the same multiple regression model), this variable turns out to have a statistically significant positive coefficient in five of the eight included EU countries (only in the Netherlands, Greece and Italy is the coefficient not statistically significant). This implies that in these five countries, households for whom the housing costs are not problematic generally have a higher housing satisfaction than households for whom the housing costs are problematic. Finally, we can observe that the addition of the housing cost variable to the multiple regression models barely affects the coefficients for the variable 'type of tenure' or the amount of variance that is explained by the different models.

Once all nine variables have been introduced into the regression model, the model serves to explain between 14% (United Kingdom) and 29% (Austria) of the variance of the dependent variable 'housing satisfaction'. This is not a particularly high figure. It would therefore seem that housing satisfaction is not only dependent on the variables included in the regression model, but that other aspects (psychological factors, personal circumstances) also play a part.

5.4 Conclusions and discussion

According to Saunders (1990), people have a natural, innate desire to own their own home. Homeownership ensures basic security, freedom, self-esteem and financial advantage and therefore higher housing satisfaction. One group of critics point out that the benefits of homeownership are largely restricted to the relatively well off in the better neighbourhoods. Other critics of this theory assert that the alleged advantages of homeownership are largely confined to the English-speaking countries. In particular, the ontological security to which Saunders refers is inextricably linked to homeownership in English-speaking countries, while in countries with a well-developed rental sector (Kemeny, 1995; Behring and Helbrecht, 2002), it can also be found in the rental sector. In the latter countries rental dwellings might be considered as a satisfying alternative to homeownership. Besides English-speaking countries and countries with a well-developed rental sector, the Southern European countries can be distinguished as a separate group. In these countries homeownership seems to be rather a family tradition than a housing choice. This paper has investigated the relationship between housing satisfaction and tenure in each of these three groups of countries.

The European Community Household Panel enabled us to compare the housing satisfaction of homeowners and tenants over the three groups of countries when controlling for housing quality, household characteristics and housing costs.

In all the selected English-speaking and Southern European EU countries, the type of tenure has an autonomous influence on housing satisfaction, homeowners being more satisfied than tenants (see Table 5.5, model 4). This means the hypotheses that we have formulated with regard to these two groups of countries are supported by the empirical data. For the third group of countries, the societies with a well-developed rental sector, the picture is diverse. In Austria, the type of tenure does not have an autonomous influence on the housing satisfaction, which is in line with our hypothesis. However, in the Netherlands and Denmark, homeowners are significantly more satisfied with their housing situation than tenants, also if one corrects for differences in housing quality, household characteristics and housing costs. Thus, the hypothesis that was formulated with regard to this third group of countries needs to be rejected.

5.4.1 Directions for further research

It should be noted that the exact causes of the statistical relationships that we have found in our analysis remain largely unknown. We have concluded that in seven of the eight selected EU countries, homeowners are more satisfied with their housing situation than tenants. However, we still don't know

whether this is the result of an innate preference for homeownership (as Saunders asserts) or whether it is due to housing policies that push households into the direction of homeownership. Therefore, additional research is needed to get a better insight into the processes that underlie the statistical relationships that we observed.

Do the results presented in this article imply that homeownership is the most satisfying tenure, no matter how well developed the rental sector is? Or is it possible that the countries with a well-developed rental sector once provided a satisfying alternative to homeownership in the past but are now shifting towards the homeowning model as a result of deregulation of the housing market? In many of these countries, the size of the social rental sector is decreasing, whereas the concentration of low-income households within this sector is increasing, as shown for example by Hoekstra (2005b). Moreover, in Denmark and the Netherlands fiscal policy seems to contribute to the attractiveness of homeownership. For proper conclusions on this issue, further research is necessary.

It is remarkable that Austria is the only country where tenants are as satisfied as homeowners. In this country the private rental sector dominates in the rental market and there is no policy supporting the increase of homeownership. This could be an indication that the situation is different for countries with a rental sector that mainly consists of private rental dwellings. Unfortunately ECHP does not cover Germany and Switzerland, countries that are rather similar to Austria, so we cannot fully test this hypothesis.

Another question is whether the results support a housing policy encouraging homeownership. The relevant question here is if the increase in home ownership and housing satisfaction outweighs the risk of stigmatizing the rental sector and its tenants. Finally, the analysis shows that when improving housing satisfaction is the aim of housing policy, housing quality appears to be more important that housing tenure.

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6 Recent changes in Spanish housing policies
Subsidized owner-occupancy dwellings as a new tenure sector?

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Abstract
The conventional model of social housing in Spain is a peculiarity within European housing policy, in that it is almost entirely owner-occupied. Subsidized owner-occupancy housing maintains the status of social housing for a set number of years, during which time it cannot be sold against market prices. After that period, its status changes, and the housing concerned becomes part of the free housing market. However, recent developments in Spanish housing policy suggest that this model might change in the future. In some Spanish regions, subsidized owner-occupancy housing is now considered as a separate and permanent tenure category and not as a temporal subsidy arrangement. This paper discusses the background and the possible implications of this new policy perspective.

6.1 Introduction

Spain is a country of homeowners. Of all Spanish dwellings, 81% is owner-occupied, 11% belongs to the rental sector and 8% belongs to the category 'other' (for example, dwellings that are provided rent free). The large majority of the Spanish rental dwellings is owned by individual private landlords. The share of the social or subsidized rental sector is very limited. Nevertheless, this does not mean that there is no social housing in Spain. In contrast with most other European countries, social housing in Spain is mainly delivered through the owner-occupancy sector.

From 1998 till 2007, the Spanish housing market has been characterized by a housing construction boom and by substantial house price increases. These developments were positive for housing developers and existing homeowners (insiders), but they have caused serious accessibility and affordability problems for first-time buyers (outsiders). Since 2008, the Spanish housing market has entered a period of crisis; the housing production rate, the number of transactions and the house prices have seriously decreased. However, at the moment of writing, it is still too early to assess the long-term impacts of this housing crisis.

Traditionally, social housing in Spain is mainly provided through subsidized owner-occupied dwellings that are sold at below-market prices to households

with low and middle incomes. For a limited number of years, during the so-called qualification period, these dwellings keep a protected status, which means that they may not be sold against market prices. Only when the qualification period has expired does the housing concerned become part of the 'normal' housing stock. Recently, there have been policy changes in some Spanish autonomous regions that make the qualification period much longer than it was before. Consequently, it seems as if the subsidized owner-occupancy sector is developing into a new permanent tenure sector. This paper analyzes the background and the possible implications of this new development. It is structured as follows.

Section 6.2 analyzes the house price increases and the housing construction boom on the Spanish housing market and the accessibility and affordability problems in which these processes have resulted. This section also briefly touches upon the recent housing market crisis. As such, this section sets the stage for the Sections 6.3 and 6.4 in which the Spanish system of subsidized owner-occupancy dwellings, and the recent changes that took place in this system, are described. Finally, Section 6.5 contains the conclusions and proposes some points for discussion.

6.2 The Spanish housing market

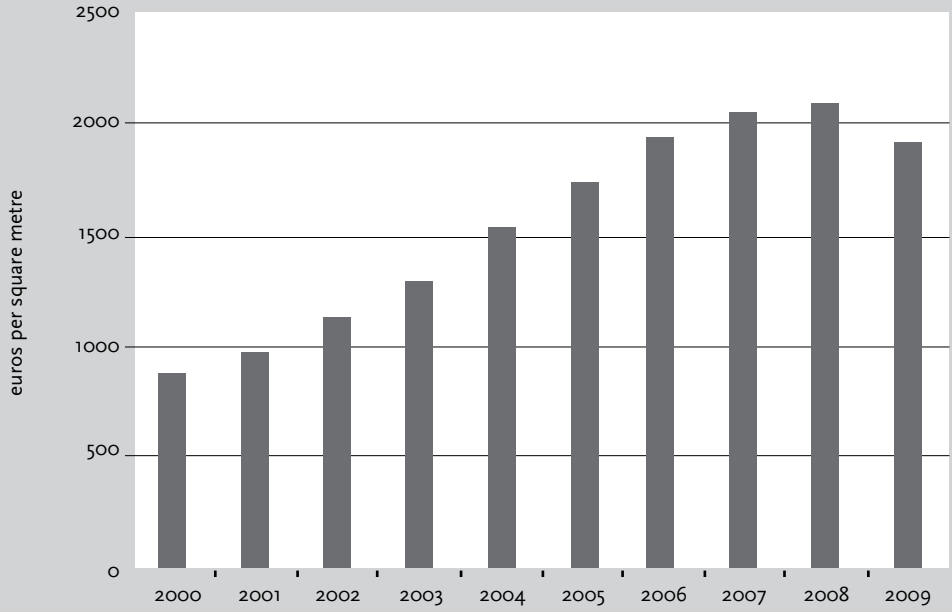
In the last decades, but especially in recent years, the Spanish home-owning sector has been characterized by large house price increases. Especially after the year 2000, the rise was spectacular, with average prices increasing by more than 10% each year (see Figure 6.1). In 2008, however, the growth came to an end; at the moment, the house prices are actually decreasing. According to the Spanish housing market index of Tinsa (2009), house prices dropped by 8.8% between December 2008 and December 2007. Many analysts (for example BBVA, 2009) think this is only the start of a much larger house price reduction.

Spain is not the only European country that has known a large increase in house prices. A similar trend can be observed in countries such as the United Kingdom and the Netherlands. However, in these countries the price increases were mainly caused by limited supply responsiveness. Due to institutional factors, such as strict spatial planning and a complicated regulatory framework, the production of new dwellings could keep pace with the increasing demand for dwellings (see Boelhouwer, 2005).

In Spain, the situation has been different. Since 1950, the Spanish housing stock has tripled while the number of households has only doubled. Since 2001, more than 500,000 dwellings were built each year (see Figure 6.2), whereas the average number of households increased by about 300,000 per year (Rodriguez *et al.*, 2008).

The discrepancy between the growth in the number of households and the

Figure 6.1 Average house prices of unsubsidized dwellings (in euros per square metre), 2000-2009 (prices for the second quarter of each year)



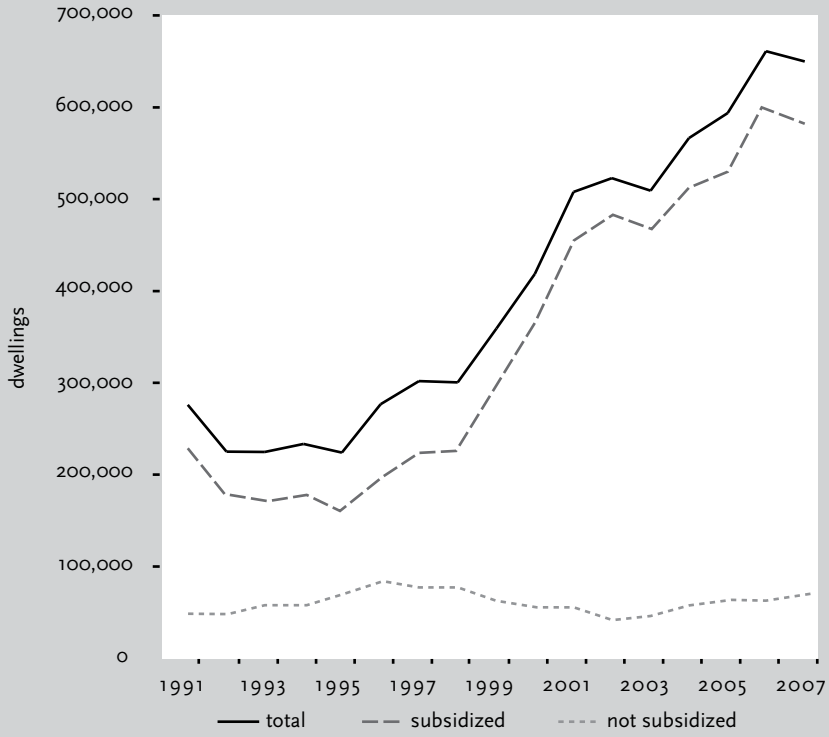
Source: Spanish Statistical Institute (www.ine.es)

growth in the number of the dwellings can be explained by the fact that a significant share of the newly built dwellings is used as a second residence, either by Spanish households or by households from abroad. Furthermore, thousands of properties have been built as personal investments. Once they are completed, these properties often remain uninhabited because – for a variety of reasons, among which speculation is an important factor – they are not sold or placed on the rental market (see Hoekstra and Vakili-Zad, 2006). Paniagua (2003) has shown that between 1991 and 2001, of every 100 dwellings built, 60 were intended as a main residence and 40 as other types of residential structures. The latter are not related to meeting the need for permanent housing and include, for example, tourist accommodation, investment properties and second homes (see Barke, 2008, for a detailed description of second homes in the Spanish housing market). This clearly demonstrates the importance of the investment component in the current Spanish housing market.

In 2008, the Spanish housing construction boom came to an abrupt end. Although the number of completions remained relatively high (about 450,000 new dwellings were finished in the first 9 months of 2008), the number of housing starts dropped rather dramatically. In 2007, there were 616,000 new housing starts, whereas in the first 9 months of 2008 construction was started on only 246,000 dwellings.

Other housing-related indicators are showing a substantial decrease as well. Between 2007 and 2008, the number of building permits dropped from 651,000 to 215,000 whereas the number of transactions on the housing market decreased from 789,000 to 448,000 (BBVA, 2009). Of these 448,000 trans-

Figure 6.2 Number of finished subsidized and unsubsidized dwellings in Spain, 1991-2007



Source: Spanish Ministry of Housing (www.mviv.es)

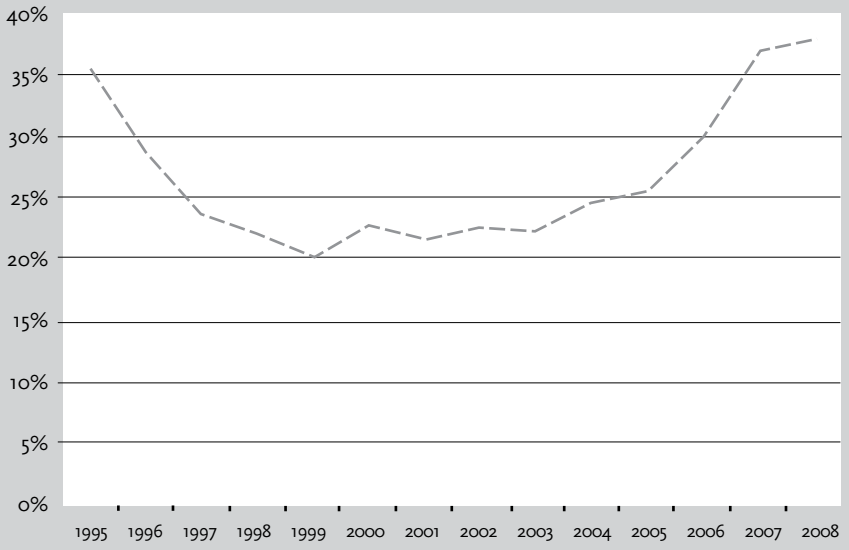
actions, 216,000 concerned existing dwellings whereas 232,000 transactions referred to new homes. Since the sale of new dwellings (232,000) is much less than the number of completed new dwellings (still more than a half million in 2008), there is substantial oversupply of newly built dwellings. In March 2008, the excess supply in the Spanish residential sector was estimated at 1.1 million dwellings, and this figure is still rising (BBVA, 2009). This development has resulted in a high vacancy rate in the new stock. Many newly built housing complexes are standing almost or sometimes even completely empty.

Obviously, the above figures have had negative effects on the employment situation. In 2008, unemployment in the Spanish construction sector doubled. At the end of 2008, about 600,000 people in this sector were out of work (data on unemployment per sector from the Spanish statistical institute: www.ine.es).

6.2.1 Increasing affordability and accessibility problems

As a result of the strong increase in house prices, the affordability and accessibility of the home-owning sector has been significantly reduced. Figure 6.3 shows the 'theoretical effort', an index that has been developed by the Spanish central bank (Banco de Espanã). It shows the percentage of net household income that the median household pays to the mortgage provider in the first

Figure 6.3 The 'theoretical effort' indicator for the Spanish owner-occupancy sector, 1995-2008



Source: Banco de España (www.bde.es)

year after the acquisition of an unsubsidized dwelling financed with a standard mortgage that covers 80% of the value of the dwelling, taking into account fiscal deductions. Factors such as the development of house prices and incomes, the interest rate and the conditions of credit providers are (implicitly) taken into account in this index.

The index shows a peculiar development. It was high in 1995 and then dropped in the second half of the 1990s as result of a declining interest rate, better and easier access to mortgages, longer mortgage terms and an increasing share of households with two wage earners. However, due to the house price boom that characterized Spain in the first years of the twenty-first century, the index started to rise again after 2002, until it reached almost 38% in 2007.

Based on Figure 6.3, we can conclude that the affordability and accessibility of the Spanish unsubsidized owner-occupancy sector has significantly decreased in the last 5 years. As far as this is concerned, it should be noted that the already worrisome indicators in Figure 6.3 refer to Spain as a whole. In the regions with the highest house prices (Madrid, Catalonia and Basque country), the accessibility and affordability problem is actually much bigger than the data in the figure suggest.

6.2.2 Tensions between stakeholders in the housing market

Just like the other Mediterranean countries, Spain is a typical example of a home-owning society (Allen *et al.*, 2004; Hoekstra, 2005). The Spanish focus on owner-occupation has created a complex system of stakeholders, all with their own interests: market insiders and outsiders; the construction industry; and the financial services. The rapid rise in house prices over the last 10 years

has heightened tensions between the insiders, for whom the house price increases are favorable, and the outsiders. For a large part of the latter group, the unsubsidized owner-occupancy sector is simply not accessible anymore. The subsidized home-ownership sector provides a flexible means to balance the conflicting stakeholder interests (insiders versus outsiders) and can be adapted to localized market conditions. More details about the Spanish subsidized home-owning dwellings are provided in Section 6.3.

6.3 Spanish subsidized owner-occupancy dwellings

In Spain the right to housing is enshrined in the Constitution (Leal, 2004). Article 47 of the Spanish Constitution establishes that "All Spaniards have the right to enjoy decent and adequate housing. The public authorities shall promote the necessary conditions and establish appropriate rules to uphold this right, regulating the use of land in accordance with the general interest to prevent speculation." However, Spanish housing policy has yet been unable to fulfill the provisions of this constitutional mandate, witness the speculative tendencies and the large accessibility and affordability problems described in Section 6.2.

The basic characteristics of Spanish housing policy have their roots in the Francoist period and have remained relatively stable since that time. In fact, one could say that Spain has never had a genuine social housing policy. As highlighted by Trilla (2001), Spanish policies for the provision of housing – both private market housing and social or subsidized housing – have been shaped more by a desire to stimulate economic activity than by social policy per se.

It should be noted that the responsibility for housing policy is shared among the different tiers of government. The national government is in charge of coordinating housing as an economic sector. The Autonomous Communities, depending on the powers granted to them in their respective statutes of autonomy, are authorized to modify and complement the central state's housing policies with the help of their own resources. They are responsible for establishing regional housing and land-use regulations, developing and managing their subsidized owner-occupied and rental housing stock, and granting and controlling subsidization of housing investments.

An important characteristic of Spanish housing policy is the complete lack of tenure neutrality in the housing policy instruments. Through both direct (providing subsidized owner-occupancy dwellings) and indirect housing policy interventions (tax policy), the owner-occupancy sector is clearly favored above the rental sector. Moreover, there have been some serious policy disincentives, such as the privatization of the public rental housing stock and

a rather strict rent regulation (especially so in the past), to both public and private investment in the rental sector (Leal, 2003, 2004). Consequently, the share of the rental sector has been reduced from more than 50% in 1950 to about 10% in 2001.

6.3.1 Subsidized home-owning housing

Spain has a long-standing tradition of providing social or subsidized owner-occupancy housing, generally referred to in Spain by the acronym VPO (Vivienda de Protección Oficia – Officially Protected Housing). As pointed out by Sánchez García and Plandiura (2003), the very concept of subsidized housing, the characteristics – and even the name – have undergone constant changes over time, through a complex series of laws.

After the Civil War, a policy of construction of low-quality public rental housing was adopted in order to meet the growing housing demand in the cities. This demand was caused by large-scale rural-to-urban migration associated with the industrialization process. Nevertheless, this policy did not last long and had a relatively limited impact. This is related to the fact that the Spanish government quickly adopted the policy of selling off the stock of public rental housing.

Since the 1960s, the Spanish government almost uniquely focused its attention on the production of new housing intended for owner-occupancy (Leal, 2003; Tatjer, 2005; Jurado, 2006). As the management of public rental housing generated considerable losses, it was argued that the promotion of owner-occupied housing could result in the construction of more units for the same cost.

The policy of promoting subsidized owner-occupancy housing has since the onset been based on providing assistance to private developers and homebuyers as a form of subsidization specifically designed to boost the construction sector. Within this system, the social circumstances of the recipients were barely taken into consideration and cronyism and fraud prevailed. The new home-ownership society that began to emerge required stable employment in order to assure mortgage repayments; consequently, social and political confrontation eased off.

Still today, direct public intervention in the area of social housing is markedly different in Spain than in most other EU countries, where the majority of social housing tends to be rented. In Spain public housing provision primarily focuses on owner-occupied housing, geared towards medium- and low-income households (households with an income below 5.5 times the minimum wage). It is characterized by a strong involvement of private developers.

The production of subsidized owner-occupancy dwellings is coordinated through a rather complex financing system in which both developers and homebuyers can receive financial support from the government. A part of the

subsidized owner-occupancy dwellings is provided by public developers that work on a non-profit basis (usually these are public companies that are tied to the municipal, provincial or regional governments) and that are financed with public money. Another part is provided through profit-oriented private developers. Private developers that build subsidized owner-occupancy dwellings can apply for loans (stemming from public finance) with interest rates below the market rate. As a compensation for this, they have to sell the dwellings at regulated prices that are well below the market prices. In other words, the demand for the dwellings that they build is guaranteed, but they have to limit their profits (Ararteko, 2007).

There have been considerable fluctuations in the number of subsidized owner-occupancy dwellings built each year (see also Figure 6.2). In general, one could say that the production of subsidized owner-occupancy dwellings drops when the housing market is doing well (see also Figure 6.2). This is due to the fact that, in such circumstances, it is much more profitable for private developers to invest in non-subsidized owner-occupancy dwellings than to invest in subsidized owner-occupancy dwellings (Sánchez García and Plandiura, 2003).

In the past, the construction of subsidized owner-occupancy dwellings always increased in times of crisis (Sánchez Martínez, 2002). First of all, this was caused by anti-cyclical investments of the government. Secondly, investing in subsidized owner-occupancy dwellings becomes more attractive for private developers when the economy is performing badly. Although the profit margins in this sector are relatively small, demand is more or less guaranteed and financial support from the government is available. This makes the subsidized owner-occupancy sector a good outlet for risk-averse investments.

6.3.2 A temporary social housing model

An important characteristic of Spanish subsidized owner-occupancy housing is the temporary nature of the subsidization arrangement. Housing developed with the help of public money (called VPO housing) is only considered as subsidized housing for a given period of time: the so-called qualification period. During that period, subsidized owner-occupancy dwellings can only be sold against prices that are determined by the government (generally the price of new subsidized owner-occupancy dwellings). The aim of this is to prevent speculation. When the qualification period expires, the housing concerned loses its status as subsidized housing and is incorporated into the 'normal' housing stock, which implies that it can be sold at market prices. This system dates back to the 1950s and 1960s, when social housing had a qualification period of between 20 and 50 years (Sánchez García and Plandiura, 2003). In 1978, a standard qualification period of 30 years was established.

At the beginning of the 1990s, a new form of subsidized owner-occupan-

cy housing with no qualification period was created: Vivienda a Precio Tasado (VPT). The price of this medium-cost housing was lower than the market price but much higher than the price of VPO housing. As mentioned above, the VPT housing was not subject to the 30-year qualification period that applied to VPO housing. However, recipients of VPT housing who sold the dwelling within 5 years were required to pay any personal subsidies they had received back to the government. Since VPT dwellings could be sold against market prices immediately after purchase, they soon became a profitable object for speculation (Sánchez García and Plandiura, 2003).

In 1993, all subsidized owner-occupancy housing provided prior to 1978 was liberalized. In other words, a large part of the stock of VPO housing was retroactively deregulated, being released from the 20- or 50-year protection arrangements and the maximum sales prices applicable during those periods. In 1998, the maximum duration of the qualification period for VPO housing was reduced from 30 to 20 years. During this 20-year qualification period, the sales price of the dwelling was not allowed to exceed the maximum price decided by the government. This maximum price was based on the selling prices of new subsidized owner-occupancy dwellings. Furthermore, if a subsidized dwelling is sold in the first 10 years after purchase, all the personal subsidies that were tied to the VPO regime plus the legal interests have to be repaid to the government.

6.3.3 Regional differences

The share of subsidized owner-occupancy housing differs between the Spanish regions (see Table 6.1). The lowest percentage of subsidized homeownership can be found in the island regions (Baleares 5%, Canarias 6%), the highest in the northern regions of Navarra (19%) and the Basque country (16%). Each year almost 1% of the subsidized dwelling stock is declassified as the qualification period elapses. As far as this is concerned, there are no clear differences between the various Spanish regions.

6.4 Towards a permanent subsidized owner-occupancy sector?

Because the qualification period for subsidized owner-occupancy housing (VPO housing) is limited in time, the owners of such dwellings have good possibilities to make profits in the longer term. After all, the house prices on the free housing market are much higher than the house prices of subsidized owner-occupancy dwellings. Especially in regions with very high house prices in the non-subsidized owner-occupancy sector, such as Madrid, Catalonia and the Basque country, the potential for profit-making is substantial (see Figure 6.4).

Recently, some steps have been taken towards limiting the temporary aspect of subsidized owner-occupancy housing in Spain. These changes have come about in a social context that is characterized by keen awareness of Spanish public opinion in relation to the issue commonly referred to as 'the housing problem'. Various young people's associations have begun to mobilize, claiming the right of the young to a decent home without being burdened by a high mortgage for the rest of their lives. Furthermore, many consider it unfair that the young (outsiders) have such difficulty finding an affordable dwelling, whereas people who bought a subsidized dwelling 20 or 30 years ago (insiders) can now make large profits.

In our opinion, all these factors have considerably influenced the policy-makers in their decision to begin taking steps towards limiting the temporary nature of subsidized owner-occupancy housing. Indeed, the 2005-2008 Housing and Land Plan established a minimum qualification period of 30 years for traditional social housing (VPOs), which can be changed at the discretion of the Autonomous Communities. The Plan also established that the Autonomous Communities are free to determine the qualification period for medium-cost VPT housing.

If an owner of a subsidized owner-occupancy dwelling wants to sell that dwelling (second-time or subsequent sale), it should be sold to potential buyers who are listed in a register that has been set up by the Autonomous Communities so that fraud can be prevented.[1] According to the 2005-2008 state plan, second-time and subsequent sales of subsidized owner-occupancy dwellings are bound to a maximum sales price that is determined by each autonomous region and that is capped by the central government at twice the initial sales price (adjusted in line with the Consumer Price Index). This cap has been criticized, as it still leaves considerable room for profit-making.

6.4.1 Regional differences

Within the regulatory framework described above, the autonomous regions have the freedom to implement their own regulations with regard to the qualification period of subsidized owner-occupancy dwellings (Burón, 2006). As far as this is concerned, three types of Autonomous Communities can be distinguished.

1. Autonomous Communities that have opted for permanent or nearly permanent qualification.

1 However, due to the opposition of some of the Autonomous Communities, which claimed they would have difficulty implementing those registers immediately, this measure was not made compulsory in a transitional period, with the Communities being left to establish their own control measures to avoid fraud in the sale of subsidized housing.

2. Autonomous Communities that apply a qualification period of 30 years, in line with the timescale set by the 2005-2008 State Plan.
3. Autonomous Communities that, through different regional varieties of subsidized housing, have reduced the qualification period to below the 30-year benchmark period. This last case includes, for instance, Viviendas de Protección Pública, a form of subsidized rental housing with an option to buy, introduced by the Autonomous Community of Madrid, which can be declassified after 7 years, and the Vivienda Protegida Autonómica, also in the Madrid region, which can be declassified after 15 years.

The first option is chosen in the Autonomous Communities of Catalonia, Asturias, Extremadura and the Basque Country. In 2004, the Autonomous Community of Catalonia established a 90-year qualification period for VPO housing, whereas the Autonomous Community of Extremadura gave all the VPO housing a permanent character. Similarly, the Autonomous Community of Asturias established the qualification of social housing until such time as the property is declared unfit.

The Autonomous Community of the Basque Country deserves separate mention. This region made a pioneering move when it established a permanent qualification of all subsidized owner-occupancy housing in 2002. The background of this is discussed in more detail below.

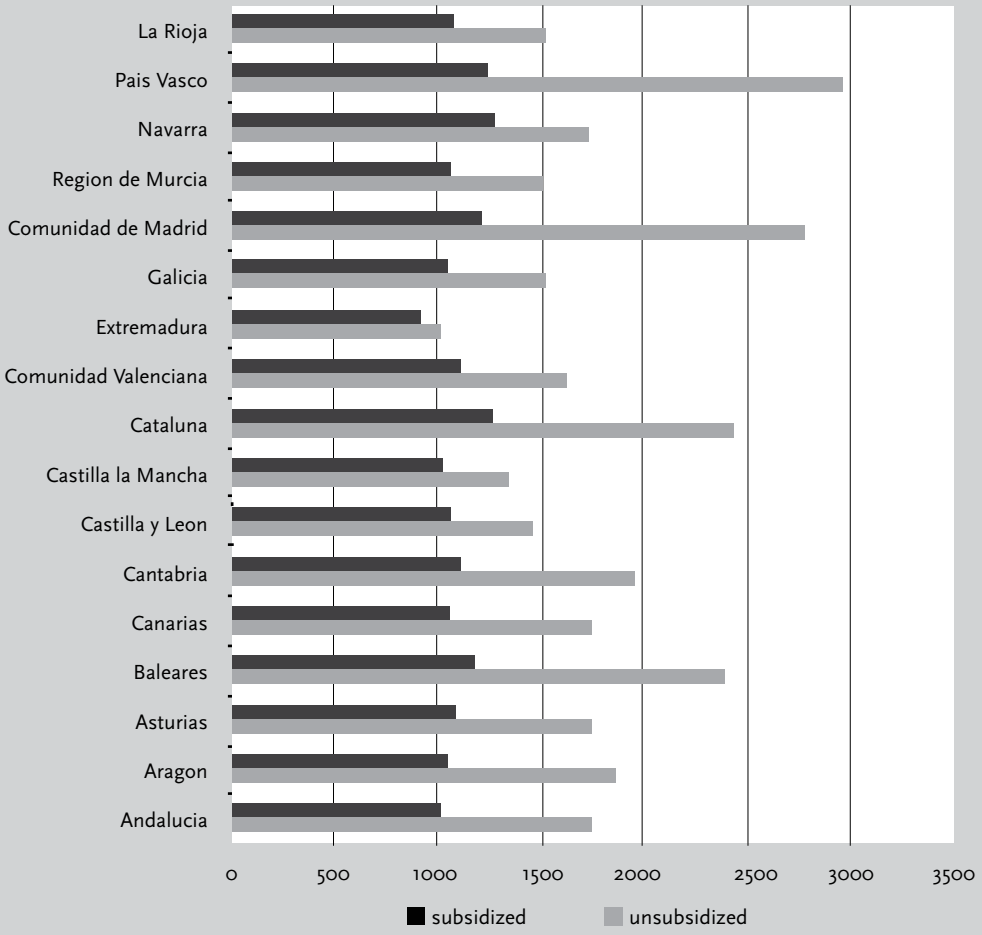
6.4.2 The case of the Basque Country

The Basque Country (Comunidad Autonoma del País Vasco: CAPV) is the autonomous region with the highest house prices in Spain (see Figure 6.4). With a share of 16% of the total stock of owner-occupancy dwellings, the subsidized home-owning sector is relatively important in this region (see also Table 6.1). In recent years, the Basque government (as well as the provinces and municipalities in the region) invested rather heavily in the subsidized sector. Between 2001 and 2004, no less than 44% of all the housing starts in the Basque Country concerned subsidized homeownership dwellings (Ararteko, 2007).

Since 2002, subsidized owner-occupancy housing has a permanent status in this autonomous region. Moreover, the Basque government has a first right to buy for all VPO sales on the free market so that they can subsequently reallocate the housing (see Ararteko, 2007) for an extensive and detailed description of the Basque policies towards subsidized homeowner housing).

The above policy measures are widely accepted by Basque society. According to the Survey of Housing Needs and Demand conducted by the CAPV in 2005 (Department of Housing and Social Affairs, 2006), the vast majority of the Basque population was in favor of the permanent qualification of social housing. More specifically, 89.7% of young people seeking their first home

Figure 6.4 Prices of unsubsidized and subsidized owner-occupancy dwellings in Spanish autonomous regions, in euros per square metre, fourth trimester of 2008



Source: Website of the Spanish Ministry of Housing (www.mviv.es)

and 90.4% of the households that want to move to another dwelling approved of this initiative.

The sale of subsidized owner-occupancy social housing with limited leasehold is another recent feature of housing policy in the Basque region. For some years now, the bulk of subsidized owner-occupancy housing in the CAPV has been provided under a 75-year leasehold arrangement. This means that the government retains the ownership of the land on which housing is built. After 75 years, the units themselves also become the property of the government. This period remains fixed, regardless of any changes of owner. In reality, however, there are few owners of subsidized dwellings who worry about these conditions. Most of these people consider themselves as 'full homeowners' and expect that the strict conditions will be relaxed in the course of time.

Further limitations on the ownership of subsidized owner-occupancy hous-

Table 6.1 Number of subsidized, formerly subsidized (declassified) and unsubsidized owner-occupancy dwellings in Spanish autonomous regions, 2007

Region	Subsidized dwellings (A)	% of total	Non-subsidized dwellings (B)	% of total	Total (A + B)	Declassified subsidized dwellings 2002-2007	As % of A
Andalucía	598.226	14	3.689.790	86	4.288.016	32.138	5
Aragón	93.871	13	647.025	87	740.896	5.119	5
Asturias	94.417	16	500.996	84	595.413	5.138	5
Baleares	26.789	5	548.503	95	575.292	1.436	5
Canarias	60.707	6	954.178	94	1.014.885	3.209	5
Cantabria	33.012	10	304.035	90	337.047	1.725	5
Castilla y León	166.136	10	1.491.467	90	1.657.603	8.870	5
Castilla-La Mancha	125.604	11	1.038.109	89	1.163.713	6.527	5
Cataluña	294.207	8	3.534.819	92	3.829.026	15.877	5
Comunidad Valenciana	413.755	14	2.623.834	86	3.037.589	22.302	5
Extremadura	76.749	12	562.248	88	638.997	4.013	5
Galicia	106.347	7	1.401.033	93	1.507.380	5.468	5
Madrid	293.307	10	2.548.045	90	2.841.352	14.167	5
Murcia	102.367	14	642.931	86	745.298	5.572	5
Navarra	57.418	19	243.963	81	301.381	2.913	5
País Vasco	156.501	16	826.710	84	983.211	8.112	5
La Rioja	27.997	15	158.807	85	186.804	1.456	5
Ceuta y Melilla	4.907	9	47.034	91	51.941	246	5
Total	2.732.317	11	21.763.527	89	24.495.844	144.288	5

Source: Spanish Ministry of Housing (Estimación del parque de viviendas)

ing are currently under discussion. For example, it has been suggested to review the circumstances of the occupants of subsidized owner-occupancy dwellings at given intervals, in order to ascertain whether there has been any change in their financial and economic situation. If occupants are found to no longer be entitled to continue living in subsidized housing, they will have to give it up (possibly against a compensatory sum of money).[2]

However, until now, this discussion has not resulted in concrete policy measures at the regional level.

Recent housing policy developments in the Basque Country are very much influenced by the current economic and housing crisis, as well as by the fact that there are regional elections in 2009. Given the rising unemployment and the increasing number of people who have problems paying their mortgage, the Basque government has proposed to buy the dwellings, either subsidized or unsubsidized, from people who are in financial problems. The former owner of the dwelling can then keep on living there as a tenant, paying a monthly rent to the Basque government. Moreover, a right to buy applies so that the former owner can repurchase the dwelling when his financial situation improves (information from www.etxebide.net, 2009).

2 Actually, there is a community in the Basque Country, Getxo, where such a system is already in force.

6.5 Conclusions and discussion

This paper has shown that there are some serious problems on the Spanish housing market. Despite the impressive housing production rate, the house prices are very high and there are affordability and accessibility problems for first-time buyers, especially in the more urbanized regions such as Madrid, Catalonia and the Basque Country. For many young households that want to buy a dwelling, the subsidized owner-occupancy sector is the only alternative.

Traditionally, the Spanish subsidized owner-occupancy sector was a temporary sector. As a result of the big price differences with the unsubsidized sector, this offered good possibilities for profit-making once the qualification period had ended. In order to prevent this, various Autonomous Communities have recently developed policies that give the subsidized owner-occupancy sector a more permanent character. Some Autonomous Communities have now chosen for a permanent or nearly permanent qualification period. This implies that a 'new' permanent or semi-permanent tenure category is being created.

Spain is not the only country with a permanent or semi-permanent subsidized owner-occupancy sector. More or less comparable sectors exist in countries such as the United Kingdom (shared ownership, home buy), Ireland (affordable housing scheme), the United States (Low Equity Housing Cooperatives), and the Netherlands (see Elsinga, 2005, for more information on these schemes). Also in some Asian countries, notably in Singapore and Hong Kong, subsidized owner-occupancy dwellings are a common phenomenon (Ronald, 2008). All the countries mentioned above have seen large increases in house prices, which have made the homeownership sector less accessible and affordable for starters on the housing ladder. Moreover, most of the countries concerned (with the exception of the Netherlands and to a lesser extent Hong Kong) can be characterized as home-owning societies. Therefore, we tentatively conclude that the emergence of a more or less permanent subsidized homeownership sector is a phenomenon that can primarily be seen in countries that have known a large increase in house price and in which there is a general preference for home-owning. This certainly applies to Spain and even more so to the Basque Country.

6.5.1 Discussion

In our opinion, the more permanent nature of the Spanish subsidized owner-occupancy sector in at least some regions is a positive development. It allows for a fairer and more efficient allocation of government resources. After all, the government subsidies stay in the subsidized sector and are not transferred to a 'random' homeowner.

At the same time, the creation of a permanent subsidized owner-occupan-

cy sector may have consequences for the further development of the housing market in the regions concerned. It can, for example, result in a further reduction of the already relatively low mobility rate. If occupants of subsidized owner-occupied dwellings are not able to accumulate significant assets in their dwelling by taking profit from house prices increases, it will be difficult, as well as financially unattractive, for them to move to an unsubsidized dwelling in a later stage of their life. At the moment, the price difference between subsidized and unsubsidized owner-occupancy dwellings is so large that it is difficult to bridge this gap on the basis of income increases and personal savings alone. Thus, the creation of a permanent subsidized owner-occupancy sector might lead to a compartmentalization of the housing market. It can result in a subsidized owner-occupancy sector on the one hand, an unsubsidized owner-occupancy sector on the other hand, and little interaction between these two segments. In the long run, intergenerational transfers might even pass on the above difference from one generation to another.

This can possibly be prevented by the creation of an intermediary sector. Such a sector already exists in the form of VPT housing, which is more expensive and offers more quality than ordinary subsidized owner-occupancy housing but is still less expensive than the unsubsidized owner-occupancy sector. This VPT housing can possibly function as a bridge between the subsidized owner-occupancy sector (VPO) and the unsubsidized owner-occupancy sector. Nevertheless, we doubt whether this is a real solution since the price differences between VPT housing and unsubsidized housing are still considerable. Thus, the stimulation of VPT housing might as well result in the creation of yet another segment within the Spanish owner-occupancy sector (next to the VPO dwellings and the unsubsidized dwellings).

Finally, one may wonder how the VPO sector will develop in the current housing market crisis. In the past, the production of subsidized owner-occupancy dwellings increased in times of limited production of unsubsidized owner-occupancy dwellings (see Figure 6.2). An increased production of subsidized owner-occupancy dwellings also entails more expenditure by the national or regional governments. In the last decade, the subsidized owner-occupancy dwellings were built with no or few government production subsidies. To a large extent their construction was paid by the proceeds (for either the government or the developers) that resulted from the construction of unsubsidized homeowning dwellings. But in the current context of decreasing house prices and decreasing housing production, such cross-subsidization is not possible anymore. The government will have to step in with extra money if it wants to maintain a steady production of subsidized homeownership dwellings. Also, with the current decrease in house prices, it is difficult to assess at which price the government should buy subsidized homeownership dwellings in the case of a sale of the dwelling during the qualification period.

In connection with this, one could ask whether it is really desirable to strive

for a high production of subsidized owner-occupancy dwellings in the future. In Section 6.2 we have shown that the Spanish housing market crisis has partly been caused by an oversupply of dwellings. More than one million newly built dwellings are currently empty. Both the Spanish government and various regional governments have taken initiatives that aim to add vacant dwellings to the rental sector. We think that it might be a good idea to extend this strategy to the home-owning sector. The government could buy empty unsubsidized houses from developers or households and transform them into VPO housing. This is not a solution that can be applied anywhere and anytime, but in some cases it should definitely be considered. In our opinion, a sensible VPO strategy not only focuses on new housing construction but also takes into account the developments in the existing housing stock.

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7 High vacancy rates and rising house prices
The Spanish paradox

Joris Hoekstra & Cyrus Vakili-Zad, 2010, Tijdschrift voor Sociale en Economische Geografie, published online in april 2010, Published with kind permission of Blackwell Publishing Ltd.

Abstract
In a 'normal' housing market, one would expect that rising house prices go together with low vacancy rates and vice versa. However, in Spain, this has not been the case. Until very recently, Spain was characterised by strongly rising house prices as well as by a high rate of vacant dwellings. This is the Spanish paradox. This exploratory paper attempts to explain this paradox from a welfare regime perspective. The Spanish welfare and housing system has a number of specific characteristics, such as a political ideology and culture of homeownership, a history of strong rural to urban migration, a large role for the family, and a relatively strict rent regulation and tenant protection. The paper will show that all these characteristics contribute to the Spanish paradox.

The paper will also indicate how the Spanish paradox relates to the speculative bubble in the Spanish property sector that has recently burst.

Key words: Vacant dwellings, Spain, housing market analysis, welfare state, housing bubble, homeownership

7.1 Introduction

According to basic economics, the relationship between vacancy rates and house prices should be rather straightforward. In a housing market with perfect competition, the house price is a function of supply and demand. If the demand for dwellings is higher than the supply of dwellings, there will be a shortage of dwellings and the house prices will rise (Thalmann, 2008). In that case the vacancy rate will be low, because house seekers will quickly occupy vacant dwellings. Thus, we can expect a negative association between the vacancy rate on the one hand, and the development of house prices on the other. A low vacancy rate means a shortage of dwellings and therefore an upward pressure on house prices. On the contrary, a high vacancy rate indicates an oversupply of dwellings and therefore a downward pressure on house prices. Only when the housing market is in balance, does the vacancy rate not influence house prices.

The vacancy rate necessary for the market to be in equilibrium is not zero, because every housing market needs a certain 'friction vacancy rate' in order to be able to function smoothly. In this sense, the housing market is comparable to the labour market. The labour market cannot function efficiently with zero unemployment. There always need to be some people between two

jobs (Thalmann, 2008). The friction vacancy rate depends on the local housing market situation. In the United States, an often cited rule of thumb states that the vacancy rate that is needed to maintain stable prices in a well functioning market is about 5 per cent (Kingsley & Turner, 1993, p. 10).

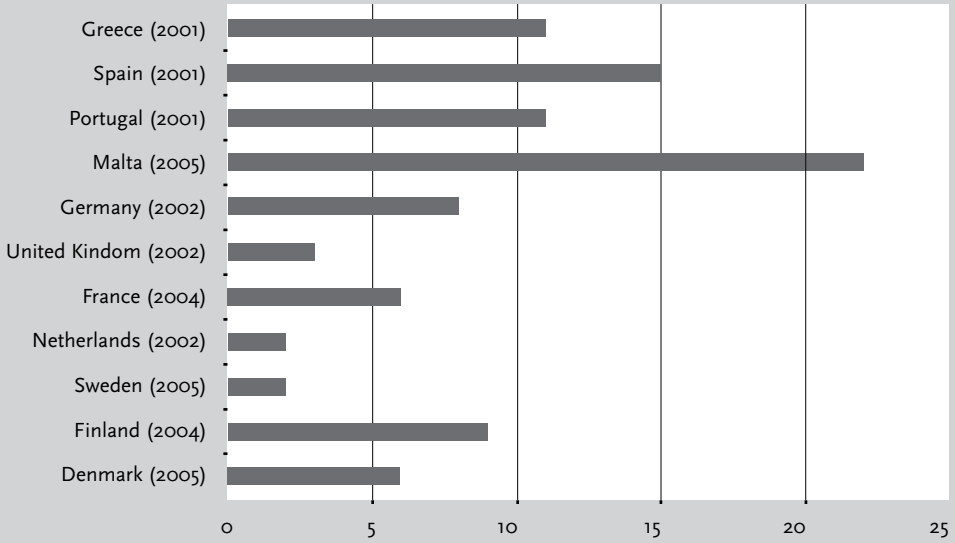
This paper will show that the reality can be quite different than the basic economic theory above suggests. This point is illustrated by focusing on the Spanish housing market. In Spain, high vacancy rates have gone hand in hand with rising house prices for a considerable period of time. Apparently, the Spanish housing market functioned according to a particular rationale that contradicts basic economic theory. We call this the Spanish paradox. This paper explores this paradox from a welfare regime perspective. We look at the specific traits of the Spanish welfare and housing system, and we use these characteristics to explain the peculiar relationship between vacancy rate and house price development. In the next section, we touch upon the definitional and measurement problems that are associated with the concept 'vacancy rate' and we illustrate the Spanish paradox with the help of some international comparative figures. Subsequently, we provide some basic information on vacant Spanish dwellings and examine at which spatial scale the Spanish paradox is visible. After that, we take a more theoretical and explanatory perspective and we link the Spanish paradox to a number of specific characteristics of the Spanish welfare and housing system. The final section explores the relationship between the Spanish paradox and the current financial and housing market crisis.

7.2 The Spanish paradox

A vacant dwelling is generally defined as a dwelling that is empty at a particular point in time. The term 'vacant dwelling' may refer to a wide range of situations: dwellings that are on offer on the housing market (for sale or to let); dwellings that are empty between change of occupants; dwellings that are undergoing modernisation, repair or conversion; dwellings that are awaiting demolition; newly completed but yet not occupied dwellings; and dwellings that are kept away from the housing market for some reason or another (for example, because of speculation).

The vacancy rate is generally measured with the help of censuses or housing need surveys. Unfortunately these censuses and surveys often tend to overestimate the number of vacant dwellings as a result of methodological problems. In Spain for example, the census takers visit a dwelling only a limited number of times. When there are no people at home during these visits, the dwelling concerned is classified as vacant. In reality, however, some of the dwellings that are registered as vacant may actually be inhabited by people who are often away from home. Others may in fact be second residences;

Figure 7.1 Share of vacant dwellings (as percentage of the total dwelling stock) in 11 selected EU countries, different years



Sources : National Board of Housing, Building and Planning Sweden;Ministry for Regional Development of the Czech Republic (2004); Italian Ministry for Infrastructure/Federcasa (2006); National Statistics Office Malta (2007)

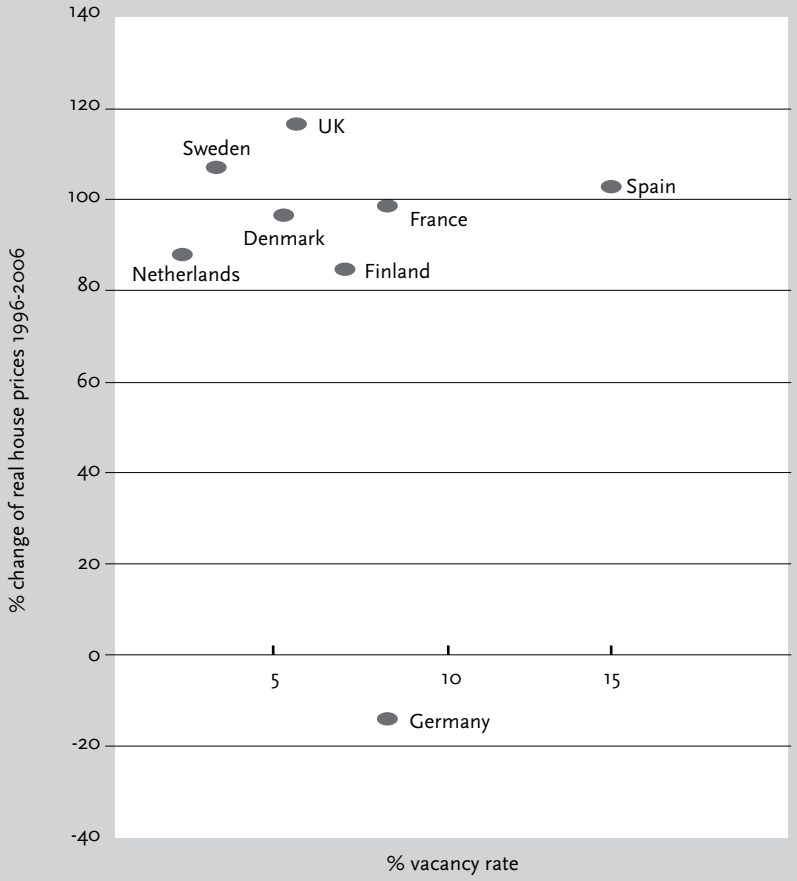
they are temporarily vacant instead of being permanently vacant (Leal, 2004).

Research in the autonomous region Basque country has shown that 37 per cent of the dwellings that are registered as vacant in the census are in reality in use as second homes (Ararteko, 2007). Similar results were found in research on empty dwellings in Scotland (Wallace *et al.,* 2005). Thus, in practice, it is often difficult if not impossible to assess whether a dwelling is temporarily or permanently vacant. Consequently, statistics with regard to vacancy rates should be interpreted with caution.

International comparative statistics on vacancy rates are scarce. The only data source that we have found is the publication Housing Statistics in the European Union (National Board of Housing, Building and Planning Sweden/Ministry for Regional Development of the Czech Republic 2004; Ministry of Infrastructure of the Italian Republic/Federcasa Italian Housing Federation, 2006). Based on this data source, Figure 7.1 shows the vacancy rates in 11 Western and Southern European Union countries. From Figure 7.1, it is clear that the Mediterranean EU-countries have a higher rate of vacant dwellings than the other countries in the European Union. With 22 per cent vacant dwellings, Malta has by far the highest vacancy rate of the countries in the figure. However, the Spanish vacancy rate is also relatively high, even if one takes into account that it may be somewhat overestimated (however, such an overestimation may as well apply to the other EU-countries in Figure 7.1).

Based on economic theory, one would expect that high vacancy rates are accompanied by decreasing house prices and vice versa. Figure 7.2 shows the relationship between vacancy rates on the one hand and the development of real house prices on the other hand in eight of the 11 countries from Figure

Figure 7.2 The relationship between vacancy rate (mid-1990s) and the development of the real house prices (1996–2006) in 8 EU-countries



Sources: International Centre for Research and Information on the Public and Co-operative Economy (2002); National Board of Housing, Building and Planning, Sweden/Ministry for Regional Development of the Czech Republic (2004); Italian Ministry for Infrastructure/ Federcasa (2006) (vacancy rates); Ball (2008) (development house prices)

7.1 (comparable data on house price development for Portugal, Greece and Malta were unfortunately not available).

For the house price development, we looked at the period 1996–2006. For the vacancy rates, we did not look at the most recent figures but at the situation in the 1990s (1990 for the Netherlands, 1991 for Spain, 1996 for France, 1998 for Germany and 1995 for the other countries in Figure 7.2). In this way, the vacancy rate acts as a predictor for future house price developments. If the vacancy rate was high in the mid-1990s, a relatively low or possibly even negative real house price growth can be expected in the decade that follows. The opposite is expected for countries that had a low vacancy rate in the mid-1990s. For these countries, a relatively high increase in house price seems plausible. Figure 7.2 shows that this hypothesis is only partly supported by the empirical data. In statistical terms, there is only a slightly negative relationship ($r = -0.15$) between the vacancy rate on the one hand and the

development of the house prices on the other hand.

For Germany, Figure 7.2 shows a 'logical' picture. In this country, a rather high vacancy rate is accompanied by decreasing real house prices. For the Netherlands, Sweden, the United Kingdom and, to a lesser extent, Denmark the picture also makes sense in terms of the theoretical explanation. These countries have had relatively low vacancy rates as well as relatively large increases in real house prices. For France and Finland the vacancy rates seem to be rather high compared to the price increases that they have experienced. However, as far as this is concerned, it is Spain that stands out particularly. In Spain with a very high vacancy rate (15 per cent) has gone hand in hand with a large increase in real house prices. It is the aim of this paper to explore this 'Spanish paradox'.

7.3 Vacant dwellings in Spain

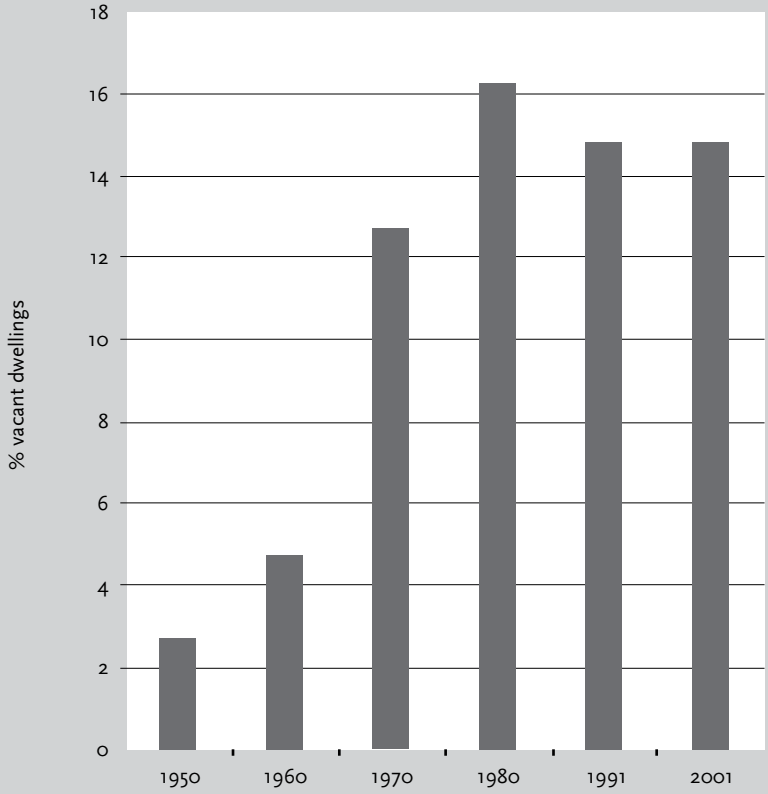
In Spain, data on vacant dwellings are only collected through the Spanish census, which generally takes place once every ten years. The last Spanish census was carried out in 2001. According to this census, Spain had 20.95 million dwellings. Of this dwelling stock, only 68 per cent is a primary residence. The rest of the stock consists of second homes (16 per cent), vacant dwellings (15 per cent) and the category 'other' (1 per cent). As far as this is concerned, second homes are defined as 'dwellings that are only used part of the year and that do not constitute the primary residence of one or more persons' (for more detailed information about second homes in Spain, see Módenes & López-Colás 2007; Barke 2008). Vacant dwellings are defined as 'dwellings that are not occupied by a household and that do not serve as a second home'. The category 'other' consists of housing such as mobile homes and student accommodation.

Figure 7.3 shows how the share of vacant dwellings in Spain has developed between 1950 and 2001. The figure makes clear that the high share of vacant dwellings in Spain is not a recent phenomenon. Especially between 1960 and 1970 the vacancy rate increased rapidly, mainly as a result of an extensive rural to urban migration. Already in 1970, almost 13 per cent of the Spanish dwelling stock consisted of vacant dwellings. The vacancy rate reached a peak in 1980 (16.3 per cent vacant dwellings) and has remained relatively stable since then. Based on this, we can conclude that having a high vacancy rate has developed into a structural characteristic of the Spanish housing system.

Characteristics of vacant dwellings

The question is whether the vacant dwellings constitute a distinct sector of the Spanish housing market in terms of geographical location, age of the dwelling and type of building. Table 7.1 shows the distribution of vacant

Figure 7.3 Share of vacant dwellings in Spain, 1950-2001



Source: www.ine.es

dwellings by size of municipality. The table makes clear that the vacant dwellings are spread rather evenly over the different sizes of municipalities. They are not only found in small municipalities; also in the larger cities there is a vacancy rate of about 15 per cent. This implies that nowadays, the phenomenon of high vacancy rates cannot solely be linked to the process of rural to urban migration, which results in empty dwellings in smaller rural villages. Rather, it is a much broader phenomenon that applies to both rural and urban municipalities.

Table 7.2 shows the building period of the dwellings that are empty according to the census of 2001, split up between urban and rural areas. When interpreting this table, it should be kept in mind that, according to the Spanish census, residential buildings that have been substantially modified are considered to be built on the date of modification. The table shows that older dwellings are more often vacant than newer dwellings. Of the dwellings built before 1900, one in every five is vacant, whereas this is 'only' one in every ten for the dwellings that were built between 1981 and 1990. As far as these figures are concerned, there are hardly any differences between urban and rural regions. However, it is striking that for the urban dwellings that were built after 1991 the vacancy rate is 19 per cent. It is probable that a significant share of these dwellings has never been occupied since the dwelling was con-

Table 7.1 Vacant dwellings by size of municipalities, Spain, 2001

Population size of municipality	Total number of dwellings	Vacant dwellings	Vacancy rate
< 101	80,629	10,700	13
102-500	618,043	79,213	13
501-1,000	568,146	75,381	13
1,001-2,000	908,958	127,402	14
2,001-5,000	1804,043	260,847	14
5,001-10,000	1864,967	318,790	17
10,001-20,000	2532,25	415,248	16
20,001-50,000	2977,897	471,300	16
50,001-100,000	2039,608	317,020	16
100,001-500,000	4242,892	583,511	14
> 500,000	3309,121	447,010	14
Spain	20946,554	3106,422	15

Source: Spanish census 2001 (www.ine.es)

Table 7.2 Vacancy rate by building period and type of municipality (urban versus rural), Spain 2001

Urban regions*	Total number of dwellings	% dwellings in bad state of repair **	Vacant dwellings	% dwellings in bad state of repair	Vacancy rate
< 1941	1,299,961	35	277,977	45	21
1941-1960	1,825,995	19	302,983	27	17
1961-1970	2,708,076	9	358,377	13	13
1971-1980	3,302,124	5	398,619	7	12
1981-1990	1,480,214	2	156,277	4	11
1991-2000	1,920,692	4	358,352	4	19
Total	12,537,062	11	1,852,585	17	15
Rural regions*					
< 1941	1,656,113	24	323,910	49	20
1941-1960	1,149,332	14	197,010	28	17
1961-1970	9,70,967	8	134,657	16	14
1971-1980	1,681,041	5	234,188	9	14
1981-1990	1,402,321	2	143,815	4	10
1991-2000	1,462,985	3	205,431	3	14
Total	8,322,759	10	1,239,011	22	15

* Urban regions are municipalities with more than 10,000 inhabitants, whereas rural areas are municipalities with less than 10,000 inhabitants.

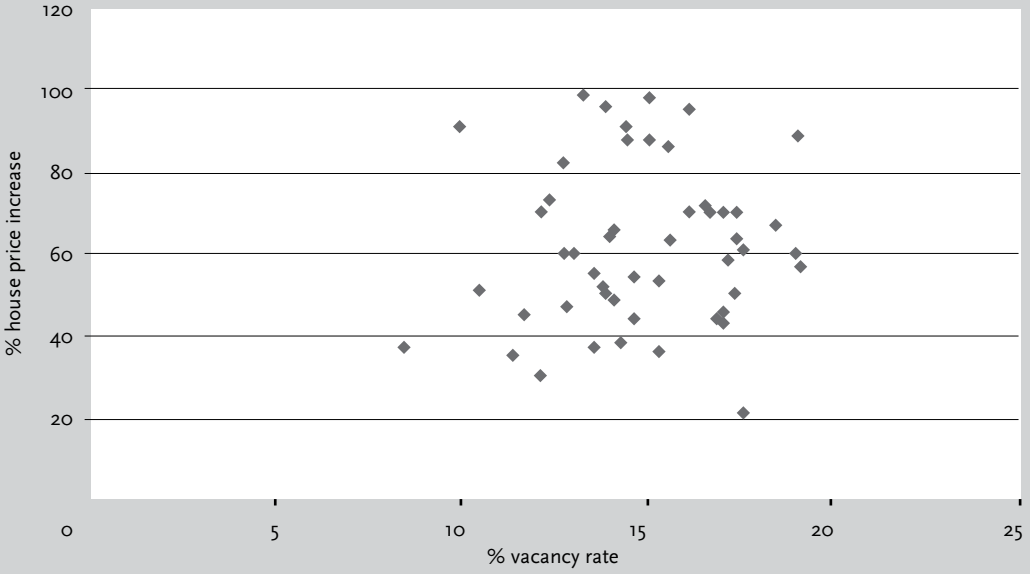
** Defined as dwellings in a ruinous, bad or deficient condition.

Source : Spanish census 2001 (www.ine.es)

structed or modified, which may be an indication of speculation.

It is often thought that a substantial share of the vacant dwelling stock is empty because the dwelling concerned is not suitable for habitation. However, Table 7.2 shows that this assumption needs to be nuanced somewhat. Of all the vacant Spanish dwellings, no less than 81 per cent is in good state of repair, whereas this is 90 per cent for the total Spanish dwelling stock. Nevertheless, there is a clear relationship between the age of the vacant dwelling and the condition of the dwelling; older vacant dwellings are more often in a

Figure 7.4 Vacancy rate (2001) and nominal house price development (2002-2005) in 50 Spanish provinces



Source : www.mviv.es (house prices) and Spanish census 2001 (www.ine.es) (vacancy rates)

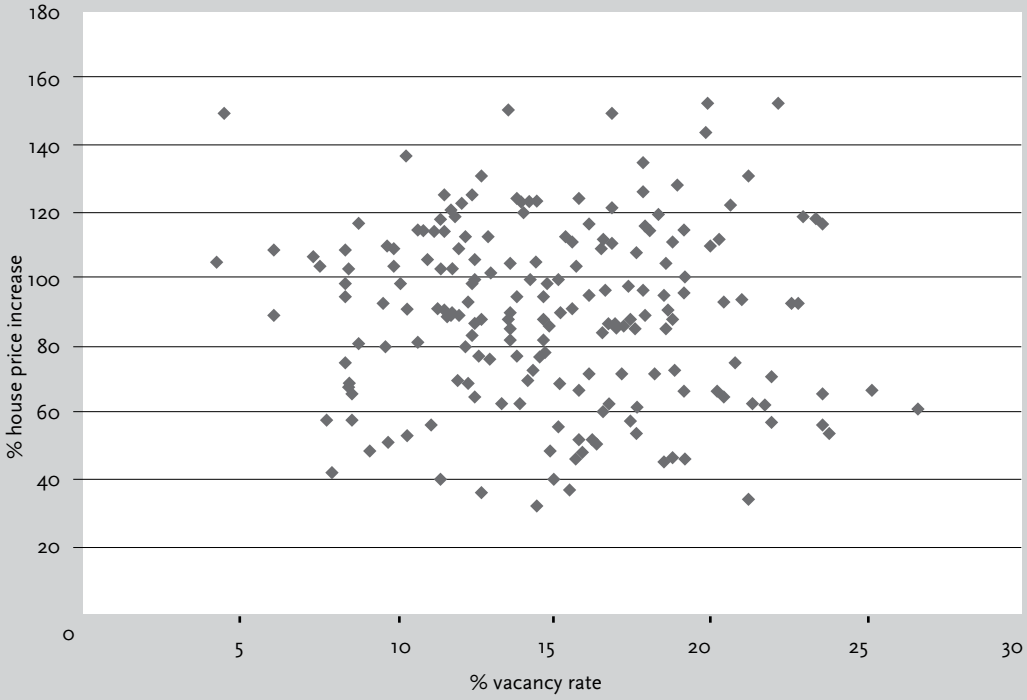
worse condition than newer vacant dwellings.

The Spanish paradox at a provincial and municipal level

Housing markets do not function at a national level but at a regional level. Bourne (1981, p. 73) defines a functional housing market area as a contiguous geographical area, more or less bounded, within which it is possible for a household to trade or substitute one dwelling unit for another without also altering its place of work or its pattern of social contacts. Functional housing market areas tend to be organised around one or more main cities. In Spain, such functional housing market regions are likely to have a spatial scale that is somewhere between the level of the provinces and the level of the municipalities. A positive correlation between vacancy rate and house price increase at the national level is not necessarily repeated at the level of functional housing market areas (provincial or municipal level). As far as this is concerned, there are basically three options:

1. The relatively high vacancy rate is a structural characteristic of the Spanish housing system as a whole, but on a regional level the housing markets function according to the 'normal' economic logic. In that case, housing market regions with a relatively high vacancy rate would be characterised by a relatively low house price increase (or maybe even a house price decrease) and vice versa.
2. There is no clear correlation between vacancy rates and house price development at the regional level. This suggests that there is no direct causal relationship between the two factors.
3. The 'Spanish paradox' also applies to the regional level; provinces and

Figure 7.5 Vacancy rate (2001) and nominal house price development (2002-2005) in 194 Spanish municipalities with more than 25,000 inhabitants



Source : www.mviv.es (house prices) and Spanish census 2001 (www.ine.es) (vacancy rates)

municipalities with a high vacancy rate are also characterised by a relatively large increase in house price.

In order to get insight into the relationship between vacancy rates and house price developments at a provincial level, we used vacancy rate data for November 2001 (the reference date of the last Spanish census) and we matched these data with data on nominal house price developments for the four year period thereafter (from the first quarter of 2002 until the last quarter of 2005). We included 50 Spanish provinces in this analysis (all Spanish provinces with the exception of Ceuta and Melilla).

Figure 7.4 shows the relationship between the two variables. The figure makes clear that at a provincial level, there is no clear relationship between vacancy rate and house price development ($r = 0.07$). Thus, option 2 seems to apply here. Furthermore, it is clear that the spread in vacancy rate is considerably smaller than the spread in house price development. The vacancy rate ranges between 8 per cent and 19 per cent (coefficient of variation = 0.17), whereas the house price increase ranges between 21 per cent and 99 per cent (coefficient of variation = 0.32).

Because the provincial scale may still be higher than the spatial scale on which the housing market functions, we repeated the above analysis at the level of the municipalities. For reasons of data availability, we could only include municipalities that have more than 25,000 inhabitants and for which

data on house price developments are available through the website of the Spanish taxation institution (Sociedad de Tasación S.A., www.st-tasacion.es). In total, data from 194 municipalities were included in the analysis (see Figure 7.5). The picture of Figure 7.5 is largely comparable to the picture of Figure 4. Here, there is also no clear relationship between the vacancy rate and the development of house prices (r = -0.04). On the municipal level, the spread in vacancy rates (ranging from 4.3 per cent to 26.6 per cent, coefficient of variation = 0.30) is bigger than at the provincial level. It is comparable to the spread in house price development (ranging from 32 per cent to 153 per cent, coefficient of variation = 0.28).

In sum, we can conclude that Spain is characterised by a high vacancy rate and a high increase in house price but that on the provincial and municipal level, there is no clear relationship between these two factors. In our opinion, this observation can be explained by referring to some specific characteristics of the Spanish welfare and housing system. In the next section we further elaborate on this.

7.4 Explanations from a welfare regime perspective

Figure 7.1 has shown that high vacancy rates are mainly a Southern European phenomenon. Based on this, we hypothesised that there might be a relationship between the characteristics of the Southern European welfare and housing systems and the vacancy rate. In the remainder of this paper, we further explore these ideas. First, we briefly describe the main features of the Southern European welfare and housing system. After that, we will illustrate how these characteristics contribute to a high vacancy rate. Finally, we explain why the relationship between vacancy rate and house price development is less straightforward than one would expect on the basis of economic theory and we try to provide an explanation for the Spanish paradox. Although the theoretical framework that we apply refers to all Southern European countries, the examples that we use and the data that we interpret only refer to Spain. Further research will have to show whether the tentative conclusions that we draw also apply to the other Southern European countries.

Mediterranean welfare and housing systems

Theories and typologies of welfare states and systems are widely used in international comparative housing research, with Esping-Andersen's framework being the most used one. According to Esping-Andersen (1990), one should not speak of 'the' welfare state, since different welfare states have different characteristics. He argues that there are three ideal typical welfare state regimes (liberal, corporatist and social-democratic), which fundamentally differ from each

other on aspects like the degree of decommodification (decommodification refers to government interventions that reduce a citizen's reliance on the market), the relationship between welfare state policies and forms of social stratification and the 'mix between State, market and family' in the design and delivery of welfare services (Esping-Andersen 1990, Allen *et al*. 2004).

In the original typology of Esping-Andersen, the Mediterranean countries (with the exception of Italy which was classified as a corporatist welfare state regime) were left out of consideration. As a reaction to this omission, different researchers (for example Leibfried, 1992; Barlow & Duncan, 1994; Ferrera ,1996; Moreno, 2000) have proposed formulating a 'new' welfare state regime for the Southern European countries, using various names (for example, rudimentary welfare state regime, Latin Rim regime, Mediterranean welfare state regime) to indicate this regime type. In the rest of this paper, we will use the term 'Mediterranean welfare state regime' to describe the Southern European welfare states because this is the way in which Esping-Andersen (1999, p. 139) refers to this welfare regime type in his later work.[1]

The Mediterranean welfare state regime, represented by Portugal, Spain, Italy, Greece and Malta (see also Vakili-Zad, 2007), is characterised by a low degree of decommodification (the welfare state is not very extensive) and a strong degree of familialism. The latter implies that a disproportionately large part of the welfare tasks is carried out within the family, without much interference of market or state (Barlow & Duncan, 1994, p. 30). As far as this is concerned, the family in Southern Europe should not be seen as a self-contained unit. It is first and foremost a nexus in a network extending through a wider kinship circle and into the neighbourhood and locality. This network is an indispensable resource because it is a way of accessing other resources such as child-care, care for the elderly, support in kind or financial support (Allen *et al.,* 2004, p. 112). In addition to this, the labour markets of the Southern European countries are characterised by a strong segmentation (great differences between well-protected insiders and outsiders with little protection) and a relatively large informal sector. The southern family holds this system together by acting as a clearinghouse between the labour market and the welfare system (Allen *et al,*. 2004, p. 96).

Although housing has been largely left out of consideration in Esping-Andersen's work, his welfare state regime theory and typology has been widely discussed and used in international comparative housing research, also in a Southern European context. Most authors (for example Allen *et al.,* 2004; Hoekstra, 2005; Arbaci, 2007) agree that there is a strong relationship between the characteristics of the Mediterranean welfare systems and the characteris-

1 Esping-Andersen actually prefers to consider the Mediterranean welfare state regime as a sub regime of the corporatist welfare state regime and not as a separate regime type.

tics of the Mediterranean housing systems. The Mediterranean housing systems and housing markets tend to be characterised by a number of distinct features: a home owning culture, a strong rural to urban migration, an important role for the family in supporting access to housing (see also Módenes 2009) and a history of strict rent regulation and tenant protection (see also Allen *et al.,* 2004). In our opinion, all these characteristics contribute to the high vacancy rate and the ambiguous relationship between vacancy rate and house price development in Spain. We further develop this hypothesis in the remainder of this paper.

7.5 Explaining the high vacancy rate

In our opinion, there are four main factors that contribute to the high vacancy rate in Spain.

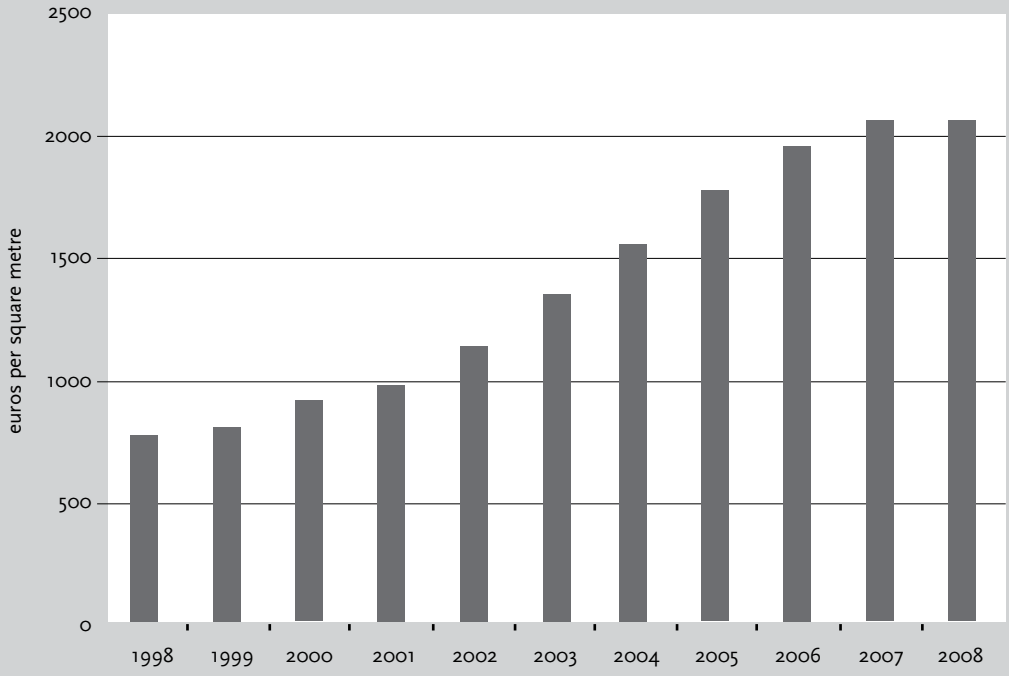
Investment in property in a home owning culture

As in many other Southern European countries, homeownership is the dominant tenure form in Spain. According to the Spanish census of 2001, 81 per cent of all Spanish dwellings are owner-occupied, 11 per cent belongs to the rental sector and 8 per cent belongs to the category 'other' (for example, dwellings that are provided rent free). About 60 per cent of the Spanish housing stock consists of apartments, which is a high percentage in a European context (Hoekstra, 2005, p. 481).

It is often claimed that the characteristics of the Southern European welfare states contribute to this peculiar tenure distribution. The Mediterranean welfare states are not very extensive (low decommodification), which means that families are primarily responsible for their own financial future (see Moreno, 2000; Allen, *et al.,* 2004; and Hoekstra, 2005 for more information on the familialism in the Mediterranean welfare states). They cannot, or at least not completely, rely on the welfare services that are provided by the State.

In such a context, family assets have traditionally filled the gaps of the welfare system. In this respect, housing wealth plays a crucial role. Also for historical reasons – ownership of land has always been very important in the Spanish culture – investments in immoveable property are typically seen as a safe way of saving and investing money. After all, such investments tend to be inflation-proof (before joining the European Union, many Mediterranean countries were characterised by high rates of inflation) and generally yield high returns (at least this was the case in the last few decades). Until recently many people believed that house prices would more or less appreciate forever, whereas most other consumption goods (caravans, boats, recreational vehicles) tend to diminish in value over time (Paris, 2009, p. 5). According to Trifiletti (1999), homeownership may be considered as a primitive form of

Figure 7.6 Average house prices of unsubsidised dwellings (in euros per square metre), 1998-2008 (prices for the third quarter of each year)



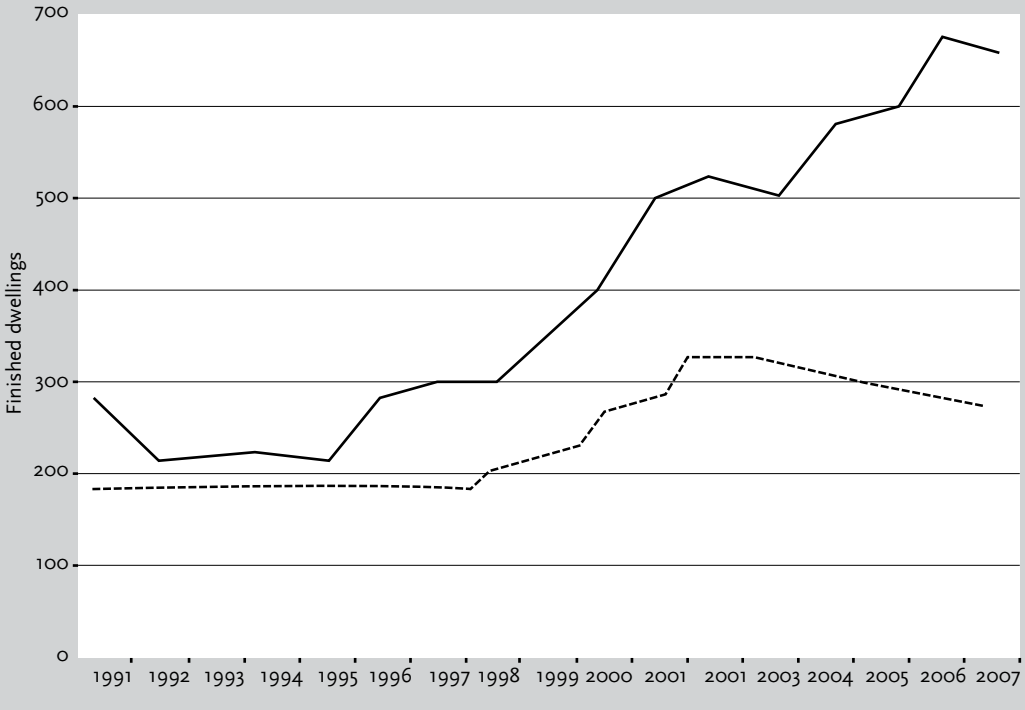
Source: Spanish Statistical Institute (www.ine.es)

insurance against social risks. In a similar vein, Kemeny (2005) sees owning a home as some kind of compensation for the often relatively limited pension facilities in countries with a poorly developed welfare state. Owneroccupation, as well as owning other property, can provide financial security and resources in old age, when children want to get married, and in situations of sudden unemployment.

It should be noted that these ideas are not confined to the Mediterranean welfare systems only. Although in a different form, they also play a role in the liberal welfare states, where the welfare levels are rather low as well and often decreasing. In the United Kingdom for example, homeownership has become increasingly important as a financial asset that can be used for welfare needs, especially in old age. This development, which is usually termed 'housing asset-based welfare', has recently generated a large debate in the literature (see for example, Elsinga *et al.*, 2007; Groves *et al.*, 2007; De Wilde & Raeymaeckers, 2008). It tends to manifest itself in a preference for owneroccupation, as well as for investment in other property such as buy-to-let private rental housing and second homes (Paris, 2009, p. 5).

In Spain, the property sector has also been the preferred investment outlet for large segments of the population in the past 10 years. Given the relatively low interest rates and the volatility on the stock market (especially after the Internet crisis in the beginning of the twenty-first century), investment in 'bricks and mortar' was seen as most secure and profitable. The relatively large informal and illegal economy in Spain also plays a role here. A substan-

Figure 7.7 Number of finished dwellings in Spain and yearly growth of the number of households (estimations for the years after 2001), 1991-2007 (in 1,000s)



Source: Spanish Ministry of Housing (www.mviv.es), Rodriguez *et al.* (2008)

tial amount of the black money that has been earned in this hidden economy has been invested in the residential property sector (Allen *et al.,* 2004, p. 98). The profitability of investments in the residential property sector largely depends on the development of house prices. In the last decades, but particularly, so in recent years, the Spanish home owning sector has been characterised by large house price increases. Especially after 2000, the rise in Spanish house prices was spectacular, with average house price increases of more than 10 per cent each year (see Figure 7.6). In 2008, however, the house price growth came to an end.

Spain is not the only European country that has known a large increase in house prices. A similar trend can be observed in countries such as the United Kingdom and the Netherlands. However, in these countries the price increases were mainly caused by limited supply responsiveness; Due to institutional factors, such as a strict spatial planning and a complicated regulatory framework, the production of new dwellings could not keep pace with the increasing demand for dwellings (see for example, Barker, 2004; Boelhouwer, 2005). In Spain, the situation has been different. Since 1950, the Spanish housing stock has tripled while the number of households has only doubled. Since 2001, more than 500,000 dwellings were built each year (see Figure 7.7), whereas the average number of households 'only' increased by about 300,000 per year (Rodriguez *et al.,* 2008). The discrepancy between the growth

in the number of households and the growth in the number of the dwellings can partly be explained by the fact that a significant share of the newly-built dwellings is used as a second residence, either by Spanish households or by households from abroad. Another important reason is speculation. More and more, it has become clear that the Spanish housing market has been partly built on a speculative bubble. A substantial part of the newly-constructed houses has been built for investment reasons and not for meeting the housing needs of the population. Many of these dwellings have remained empty since the moment they were constructed.

Strong rural to urban migration

For the last few decades, the Southern European countries have been (and still are) characterised by a strong rural to urban migration. Due to economic processes (less employment in agriculture, more employment in services), many people have left rural villages in search for work in the cities, thus, vacating their village dwellings. Some of these dwellings are used by their original owners as second homes, whereas others are sold to foreign emigrants or city people. However, for some dwellings, especially those in bad condition or in remote areas, there is little interest. These dwellings can remain empty for a very long time. Most of these dwellings were built before 1941 and their condition often deteriorates quickly (see Table 7.2). In some cases, rural to urban migration can lead to a collapse of village life and the local economy, and it may result in completely deserted villages. According to information of the Spanish Statistical Institute (INE), there are currently about 2,600 such deserted villages in Spain (only deserted villages with at least 10 buildings count in the INE definition). The strong rural to urban migration is sometimes also seen as one of the factors behind the strong homeownership culture in Spain. Many rural to urban migrants bring with them a cultural predisposition to homeownership that is rooted in the significance of land as a productive factor in rural areas (Allen *et al.,* 2004, p. 23).

An important role for the family in supporting access to housing

Although they are getting more individualistic, the Mediterranean welfare states are still characterised by a relatively large degree of familialism. This familialism expresses itself in three ways: a largely domestic female role (especially among the older generations), much intergenerational help and a high degree of family solidarity (Esping-Andersen, 1999). The familialism also exerts a strong influence on how people access housing. In Mediterranean welfare systems, families often provide financial support to firsttime homebuyers. The purchase of a house by a young couple typically involves the mobilisation of assets by the two families and a significant proportion of households have acquired their house as a (partial) family gift or through inheritance (Allen *et al.,* 2004; Mulder & Billari, 2006; Módenes, 2009). In addition to

this, family relations can also have a strong effect on residential location and residential mobility patterns. In Southern Europe, residential propinquity to relatives is often the prime factor in households' residential location preferences (see also Hoekstra, 2005).

The familialism of the Mediterranean welfare and housing systems may contribute to the high vacancy rate because dwellings often stay in the same family for a long time. Through inheritance, they are passed from grandparents to parents, from parents to children and sometimes also between other family members. Even if there are no family members interested in occupying a dwelling that is in possession of the family, these dwellings are often kept vacant instead of being sold or let, because family members may need them at a later stage. Furthermore, some Spanish households buy a house for their children or grand children with a view to their future as an independent household. Often, such family-bought properties remain vacant until the children or grandchildren are ready to occupy them.

A history of strict rent regulation and tenant protection

Contrary to what is sometimes thought, the Southern European countries have not always been countries of homeowners. Still in 1950, more than 50 per cent of the Spanish dwelling stock consisted of private rental dwellings. Most of these dwellings were owned by individual households who traditionally saw the private rental sector as a safe target for investments. However, the dominance of the private rental sector disappeared as a result of the government policies that were formulated after the end of the Spanish Civil War (Leal, 2003). Due to the destruction of housing that had taken place during the conflict, there was a serious housing shortage and the rental prices rose considerably. The government was afraid that the increasing housing costs would harm the middle classes, which had largely supported the victors of the war, the Franco regime. Therefore, in order to support these middle classes, a strict rent regulation was enforced in the end of the 1950s. These so-called Urban Rental Laws established a freeze on rents and provided for indefinite contracts (Cotorruelo, 1960). Subsequently (after 1964), the updating of rents was made somewhat easier, but there continued to be many restrictions and the indefinite nature of rental contracts was maintained (Leal, 2003, p. 162).

The strict rent regulation and tenant protection had a negative effect on the profits of the private rental landlords and stimulated them to sell their dwellings. This was not always easy because the tenant protection was strong as well. In case of non-payment of the tenant, eviction procedures were complicated and generally took many years. As a result of the rent regulation and tenant security, homeowners became more and more reluctant to let their vacant dwellings, whereas existing private rental landlords cut back on their investments in maintenance and renovation (Leal, 2003, p. 163).

Even though the Spanish rent regulation was considerably liberalised after

1985 (Ley Boyer)[2], investments in the private rental sector have remained unpopular. This is probably due to the fact that the protection of tenants is still rather strong; also today the eviction of non-paying tenants requires relatively long judicial procedures. And since non-paying tenants seem to be more frequent in Spain than in many other countries (possibly because of the strong tenant protection), there has emerged a culture in which letting a dwelling is equated to asking for problems. Consequently, many Spanish homeowners are very reluctant to let their vacant dwellings. They often prefer a vacant dwelling over a dwelling that is let. This may entail fewer or no profits but it also entails less risks.

7.6 Conclusion: explaining the Spanish paradox

We have shown that there are four main factors that push up the vacancy rate in Spain. Due to lack of specific data, we have unfortunately not been able to quantify the importance of each of these factors. Nevertheless, we have the impression that they are all relevant, although their weight might vary according to the regional and local housing market context. But explaining the high vacancy rate in Spain is only part of the story. Another important question remains. How does the vacancy rate relate to the house price development? Why did the high vacancy rate in Spain not lead to a levelling or even a decrease in house prices? In answering these questions one element is of crucial importance; to what extent are the vacant dwellings actually available on the housing market? After all, only dwellings which are actually for sale or to let exert an influence on price setting.

Vacant dwellings that are bought for investment reasons are usually not on offer on the housing market. As long as the house prices keep on rising considerably there is no need for the owners of these dwellings to offer them for sale. After all, in such a housing market, only possessing a dwelling is enough to yield an attractive (although fictitious as long as the dwelling is not sold) return. Moreover, many owners of a vacant dwelling see this dwelling as long term investment (for example, for their old age) and do not feel the need to cash in their investment.

Of course, letting the dwelling instead of keeping it vacant would lead to higher profits but doing so is generally perceived as a risky business. Because of the strong tenant protection and the rather bad image that Spanish ten-

2 Under the Ley Boyer, the rent regulation was completely liberalised. For new rental contracts, landlords were completely free to determine the level of the rent and the term of the rental contract. However, rent regulation was reintroduced again in 1995. Since then, rental contracts have a term of five years and the annual rent increase is tied to inflation. The rent setting for new contracts is still free, however.

ants have, many owners of vacant dwellings are reluctant to act as landlords. As such, a situation may develop in which rising house prices lead to more sales of dwellings for investment reasons that are subsequently kept vacant. In our opinion, this is the core of what we call the Spanish paradox; rising house prices go handin hand with a high or even rising vacancy rate.[3]

However, investment motives are not the only reasons why vacant dwellings in Spain are often not on offer on the housing market. Dwellings that are empty as a result of one of the other reasons for the high vacancy rate in Spain are often kept away from the housing market as well. First of all, the extensive rural to urban migration in Spain has caused a substantial share of vacant dwellings in small villages. Many of the dwellings are not on offeron the housing market because the owners do not want to sell them for sentimental and nostalgic reasons. Moreover, some of these empty village dwellings are in bad state of repair which means that there will probably be limited interest in them anyway, especially if the village has a remote location. Second, some vacant homes are family possessions that are supposed to remain vacant (but not for sale or to let) until one of the family members is ready to occupy them.

In short, we can conclude that the specific features of the Spanish welfare and housing system result in a relatively high share of vacant dwellings, but that these very factors also prevent vacant Spanish dwellings to actually be on offer on the housing market. Thus, a high vacancy rate is not synonymous to a large supply of dwellings. In our opinion, this explains why there is no clear relationship between vacancy rate and house price development in the Figures 7.3 and 7.4.

Suggestions for further research

This paper has been rather exploratory and at points even a bit speculative. This is mainly due to limitations in the availability of data. For example, information on the motives that Spanish homeowners have for keeping their dwelling vacant is not available. Moreover, data on vacancy rates is collected only once every ten years and may not be completely reliable. Given the fact that vacancy rates can exert a strong influence on the functioning of the housing market as a whole, as has been shown in this paper, we think that further research on the relationship between vacancy rate and house price developments is desirable. In our opinion such research should focus on the following issues:

- To what extent is the Spanish paradox also visible in other countries? Given the fact that the phenomenon is related to the characteristics of the Medi-

3 Unfortunately, reliable figures on the development of the Spanish vacancy rate after 2001 are not available. However, we think that it is very probable that the vacancy rate has increased in recent years.

terranean welfare and housing systems, it seems plausible to expect similar trends in other Mediterranean countries. Indeed, Hoekstra and Vakili-Zad (2006) have shown that Malta is also characterised by high vacancy rates and rising house prices with a strong speculative component. However, it is possible that similar processes also appear in other countries in which there is preference for home owning and a strong demand for investment in property, such as the liberal welfare systems of the United Kingdom and Ireland.

- What is the relationship between the number of vacant dwellings and the actual supply in the housing market in a particular housing market region? Based on the results of this paper, we hypothesised that this relationship is in fact very weak. However, further research is needed to test and explore this hypothesis in more detail. Such research should also shed more light on possible geographical differences in the relationship between vacancy rate, actual supply on the market and house price development. Does this relationship differ between different geographical regions, for example between cities and countryside or between coastal areas and inland areas? The regional and local implications of the findings of this paper need to be studied in more detail.
- What is the quantitative importance of each of the four different arguments for keeping dwellings vacant? For example, how many dwellings are kept vacant for speculative reasons? The Spanish census gives a reasonable account of the characteristics of the vacant dwellings, but does not provide any information on the motives of the owners of these dwellings. More, preferably qualitative, research into this matter is needed.
- What is the exact relationship between vacant dwellings and second homes? How big is the overlap between the two categories? In order to answer these questions, a more precise way of census and survey-taking is needed.

7.7 What next?

In 2008, the Spanish housing bubble finally burst. At the moment Spanish house prices are decreasing. According to the Spanish housing market index of Tinsa (2009), Spanish house prices have dropped 8.8 per cent between December 2007 and December 2008. Many analysts (for example, BBVA 2008) think that this is only the start of a much larger house price reduction. Partly as a result of the negative house price development, the number of housing starts has dropped dramatically. In 2007, there were 616,000 new housing starts, whereas in the first nine months of 2008 the new construction of only 246,000 dwellings was started. Other property market related indicators are showing a strong decrease as well. Although the number of finished new

dwellings remained at a relatively high level (about 450,000 new dwellings were finished in the first nine months of 2008), the number of building permits issued for new dwellings dropped from 651,000 (2007) to 215,000 (2008).

The global financial and economic crisis is an important reason for the problems in the Spanish housing market. However, more specific Spanish factors play a role as well. It has become apparent that the housing construction boom in Spain has resulted in a large oversupply of dwellings. For many years, the housing construction rate in Spain was much higher than the growth in the number of households (see also, Figure 7.7). For a long time, the market was able to absorb a substantial part of this excess supply because many new dwellings were bought for investment reasons and not for reasons of housing need. These dwellings were often kept empty without being on offer on the housing market. Furthermore, the number of new dwellings that were available in the housing market and that were empty without being sold also increased steadily.

The above system, which is based on a complex interplay between housing construction, housing investments, vacancy rates and house prices started to collapse in 2008. Between 2007 and 2008, the number of transactions on the housing market decreased from 789,000 to 448,000 (BBVA, 2008). Of these 448,000 transactions, 216,000 concerned existing dwellings whereas 232,000 transactions referred to new dwellings. Since the sale of new dwellings (232,000) is much less than the number of completed new dwellings (still more than a half million in 2008), the oversupply on the Spanish housing market increased rather spectacularly. As a result of the decrease in house prices, very few Spanish households nowadays buy housing for investment reasons. In March 2008, the total excess supply in the Spanish residential sector was estimated to affect 1.1 million dwellings and this figure is still rising (BBVA, 2009). In March 2009, the excess supply was even estimated at 1.5 million dwellings (According to an article in the Dutch newspaper *NRC Handelsblad*, 6 March, 2009). The result of this development is a high vacancy rate in the newly-built dwelling stock. Especially in the more urban regions there are many newlybuilt dwellings that are vacant. Some new housing complexes are almost or sometimes even completely empty. Most of the new empty houses are for sale on the housing market and the oversupply of them thus exerts a negative influence on house price development.

We think that the oversupply of dwellings on the Spanish housing market will further increase in the future. After all, some owners of vacant dwellings who have kept their dwellings away from the housing market until now might start to sell their dwellings in the future in order to limit their losses. In that case decreasing house prices are accompanied by an increasing housing supply. Such a situation could lead to a sharp fall in house prices and a serious housing market crisis. It seems as if the current problems in the Spanish housing market have ended the Spanish paradox. We are now facing a situa-

tion in which high vacancy rates indeed contribute to an oversupply of dwellings and a decrease in house price, just as one would expect on the basis of economic theory.[4]

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4 Notwithstanding the above, we expect that the Spanish vacancy rate will remain relatively high in the future. First of all, it will take many years before the current oversupply of dwellings will have disappeared. Second, only part of the vacant dwelling stock is kept empty for investment reasons. Dwellings that are empty for family reasons or as a result of rural to urban migration are less influenced by the current housing market crisis. These dwellings will probably continue to be vacant in the future.

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8 Conclusions

8.1 Introduction

The aim of this thesis is to test to what extent the divergence theories and typologies of Esping-Andersen and Kemeny offer a valuable framework for explaining international differences in housing policies, housing outcomes, and housing market developments. The book consists of six published papers. All use the divergence theories and typologies of Esping-Andersen and Kemeny, or at least some aspects of these, as a tentative explanatory framework. Furthermore, two articles focus on Southern Europe, in particular on Spain. With this thesis, I hope to contribute to the filling of two gaps in the literature:

1. The lack of empirical testing of the theories and typologies of both Esping-Andersen and Kemeny with regard to the field of housing;
2. The neglect of Southern European EU countries in international comparative housing research in general and in the theoretical work of Esping-Andersen and Kemeny in particular.

Research questions

The thesis is structured around the following three research questions:

1. To what extent does the divergence theory and typology of Esping-Andersen offer a good framework for analyzing the characteristics and the development in time of housing policies?

2. To what extent do the divergence theories and typologies of Esping-Andersen and Kemeny offer a good explanation for the differences between countries with regard to measurable housing outcomes (tenure, dwelling type, housing quality, characteristics of tenants, rent levels, housing satisfaction)?

3. How do the specific characteristics of the Mediterranean welfare and housing systems express themselves in the housing policies, the housing outcomes, and the functioning of the housing market?

Structure of the chapter

In this concluding chapter, I try to provide answers to the three research questions formulated above. The chapter is structured as follows. Section 8.2 deals with the first research question and assesses to what extent Esping-Andersen's welfare state regime typology is useful as a framework for analyzing national housing policies. The answer to this question will largely be based on Chapter 2 of the thesis. There, the Esping-Andersen welfare state regime typology has been translated into a housing regime typology that was subsequently applied to the Dutch housing system (Subsection 8.2.1). Furthermore, I also look at evidence from Belgium and Norway, two countries to which my

housing regime typology has been applied as well (Subsection 8.2.2)[1]

My overall findings with regard to research question 1 are summarized in Subsection 8.2.3.

Section 8.3 attempts to provide an answer to research question 2. It summarizes the three articles in this thesis that relate the divergence theories and typologies of Esping-Andersen and/or Kemeny to measurable housing outcomes (Subsections 8.3.1 to 8.3.3)[2] .

Based on findings from these articles, a more general conclusion is then drawn (Subsection 8.3.4).

Section 8.4 focuses on the third research question. It summarizes the chapters on Spanish housing policies (Chapter 6, summarized in Subsection 8.4.1) and Spanish housing market developments (Chapter 7, summarized in Subsection 8.4.2). Here, I speculate on whether the findings from these chapters are representative of the other Mediterranean EU countries (Subsection 8.4.3). It should be noted that Chapters 6 and 7 concentrate on particular aspects of Spanish housing policies and housing market developments. Chapter 6 deals with policies on subsidized homeownership, whereas Chapter 7 investigates the relationship between the development of house prices and the vacancy rate.

Like many other research projects, this thesis does not provide definite and complete answers to the research questions. That is why, for each of these questions, a rather extensive agenda for further research is formulated in Section 8.5.

Finally, the chapter ends with a short epilogue in which I draw some overall conclusions (Section 8.6).

8.2 Esping-Andersen's typology as a framework for analyzing housing policies (research question 1)

8.2.1 Relevance of the framework for the Netherlands (Chapter 2)

The starting point for this thesis is the assumption that the housing system is an important element of the welfare system (see also Subsection 1.3.1). If

1 This concerns new evidence that has not been included in chapter 2 of this book. The evidence on Belgium stems from work of mine that is not included in this thesis (see also Subsection 1.5.3). The evidence on Norway comes from a recent article by Stamsø (2009).

2 Here too, a finding that is not presented in Chapters 2 to 7 but stems from other work of mine (see Subsection 1.5.3) is used in the discussion: the relationship between welfare state regime and tenure (discussed in Subsection 8.3.1).

this assumption is correct, one might expect the differences between welfare systems to be reflected in housing policies. This assumed relationship between the welfare system and housing policies is the subject of Chapter 2. Specifically, this article translates Esping-Andersen's (1990) welfare state regime typology (see Subsection 1.3.2 and Chapter 2 for more information about this typology) into a housing policy regime typology. The latter distinguishes three ideal typical housing policy regimes: social-democratic, (conservative) corporatist, and liberal (see Table 2.1 in Chapter 2).

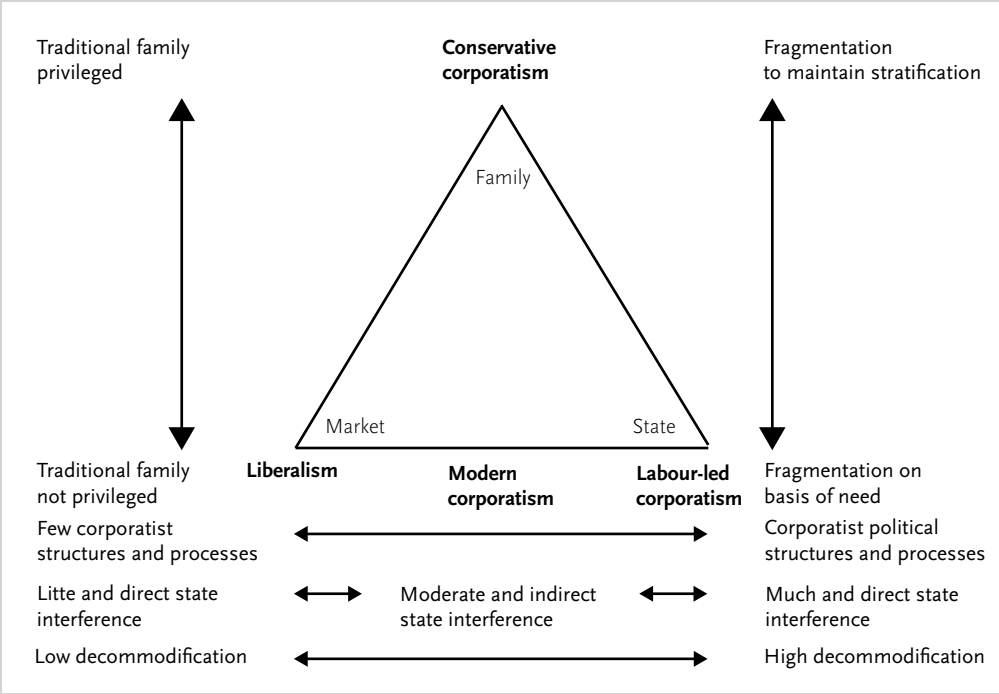
Dutch housing policies of the 1980s and 1990s were compared with this housing policy regime typology in order to determine in which type they would fit best. It turned out that in the 1980s, Dutch housing policy had both social-democratic and corporatist traits, whereas in the 1990s the corporatist traits were dominant. These research findings are largely in line with the position of the Netherlands within the welfare state regime typology of Esping-Andersen. In this typology, the Dutch welfare state is a hybrid case, since it has both social-democratic and corporatist characteristics. However, there is one aspect to which the Esping-Andersen framework seems less applicable. Although the Dutch housing policies in the 1990s had many corporatist traits, they were not conservative.

In my opinion, the increasing importance of corporatist characteristics in Dutch housing policies in the 1990s is related to the changing role of the government. From the 1980s to the 1990s, there was a significant reduction in the direct influence of the central government on the Dutch housing system. The central government switched to a more indirect style of governance. In the policy frameworks subsequently formulated, local authorities and private actors such as housing associations could operate with a certain degree of freedom. This new style of governance can certainly be considered corporatist (whereby policy is developed jointly by central government, local authorities, and private actors). Yet it has little to do with conservatism, whereby housing policies would seek to preserve the status differentials in society and favor the traditional family. I have used the term 'modern corporatism' to indicate this new style of policy. In practice, modern corporatism resembles concepts such as 'third way politics' (Giddens, 1998) and 'competitive corporatism' (Rhodes, 2001).

Ultimately, I combined the observation of modern corporatist housing policies with Kemeny's view on corporatist welfare regimes (see also Subsection 1.3.4). On that basis I developed a new conceptual model for analyzing the welfare state in which, besides non-corporatist liberalism, three types of corporatism are distinguished: conservative corporatism; labor-led corporatism (which is similar to what Esping-Andersen calls social-democracy); and modern corporatism (see Figure 8.1).

The main innovation in Figure 8.1 is the distinction drawn between conservative corporatism and modern corporatism. There are three key aspects

Figure 8.1 A proposed new conceptual model for the welfare state



Source: This is a slightly adapted version of the figure that was published in Hoekstra (2003)

in which modern corporatism differs from conservative corporatism: the nature of the fragmentation in the provision of welfare services; the treatment of the traditional family; and the role of this family within the broader welfare state. These differences are further elaborated below.

The allocation of welfare services can take place in two ways. On the one hand, it can be based on social status and/or occupation. This traditionally happens in conservative-corporatist welfare state regimes, where the level of welfare services to which a person is entitled largely depends on the person's occupation. On the other hand, the allocation of welfare services can also be based on measurable criteria such as income. In that approach, occupation and social status are not taken into account when the target groups for welfare services are defined. This implies that welfare services are distributed purely on the basis of (perceived) need. Such a distribution mechanism is characteristic for modern corporatist, labor-led corporatist, and liberal welfare states.

In conservative-corporatist welfare states, the traditional nuclear family is often explicitly privileged in the provision of welfare services. For example, regulations tend to favor the breadwinner or provide extra benefits for large families. Just like the fragmentation based on occupation described above, such policies aim to preserve the existing social structures. In modern corporatist, labor-led corporatist, and social-democratic welfare states, the tendency to favor the nuclear family is less strong and might even be completely absent. Here, welfare state services are essentially provided on the basis of

individual needs and rights.

Finally, in conservative-corporatist welfare state regimes, relatively many welfare tasks (childcare, care for the elderly) are carried out by the family[3] .

This is less so in modern corporatist welfare states, where the role of the family is relatively limited and the state and the market provide the majority of welfare services. In this regard, the modern corporatist regime type occupies an intermediate position between the labor-led corporatist welfare state regime (mainly state provision of welfare services) and the liberal welfare state regime (mainly market provision of welfare services).

8.2.2 Relevance of the framework for Belgium and Norway

In Subsection 8.2.1, it was shown that the Esping-Andersen framework could be used reasonably well to explain developments in the Dutch housing policy system, although an adaptation of the definition of corporatism was proposed. The question is to what extent the housing policy regime framework also applies to other countries. Below, I attempt to answer this question for both Belgium (Flanders) and Norway (see also footnote 1 of this chapter). So far, these are the only other countries to which my framework has been actively applied in research projects.

Belgium

In the larger research project, embracing Chapter 2 of the thesis (see also Subsection 1.5.3 and footnote 1), my housing policy regime typology is applied to the conservative-corporatist welfare state regime of Belgium[4] (see Hoekstra and Reitsma, 2002 and Hoekstra, 2002 for more information on this). Also here, a distinction was made between the 1980s and the 1990s.

Belgium has a small social rental sector (7% of the total housing stock at the end of the 1980s) that is rather heavily regulated. At the same time, the market rental sector is substantial in size (25% of the total housing stock at the end of the 1980s) and subject to relatively little regulation. Such disparity between the two rental tenures is characteristic of a dualist rental system (see also Subsection 1.3.3 and Chapter 4 of this thesis). Dualist rental systems are expected to be found in liberal welfare state regimes.

Nevertheless, Belgian housing policy of the 1980s and 1990s was certain-

3 This applies even more so to the Mediterranean welfare state regime, which is not included in Figure 8.1. In order to position this welfare state regime in the figure, one would have to stretch the top of the triangle.

4 Although I speak of Belgium throughout the text of this section, and the figures that are presented refer to Belgium as a whole, the housing policy analysis actually focused on Flanders. This reflects the fact that in Belgium most housing policies, except fiscal policies, are formulated at the level of the regions.

ly not completely liberal. Many corporatist elements could in fact be distinguished in the owner-occupancy sector. First of all, there was a segmented system of premiums and social loans for owner-occupiers that aimed to promote households' ability to cope for themselves. Second, self-provided housing was an important element of the housing production, which may also be seen as a feature of corporatism (Barlow and Duncan, 1994, p. 32 and onwards). In Belgium, unlike the Netherlands, corporatist elements in housing policy also had a clearly conservative dimension. Owner-occupiers with children were entitled to specific (more favorable) loans and premiums. And there were special regulations for specific occupational groups, such as mine workers.

In short, Belgian housing policy can be interpreted as a mix of liberalism and conservative-corporatism. The policies for the rental sector had a strong liberal dimension, whereas the policies for the owner-occupancy sector were largely conservative-corporatist. In this respect, little had changed between the 1980s and the 1990s. This might be related to the fact that housing policies in Belgium tend to have an incremental and problem-solving character, which makes it difficult to carry through fundamental policy changes. Such policy-making is characteristic of a conservative-corporatist welfare state regime.

Norway

In the typology of Esping-Andersen, Norway is regarded as a prototype of the social-democratic welfare regime (Esping-Andersen, 1990, pp. 73-76); the public sector is large, with universal welfare services financed by taxes. Consequently, Norwegian society is characterized by relatively small income inequalities. The Norwegian welfare state is known for combining high levels of public expenditure, which creates generous welfare state entitlements, with rapid economic growth, low unemployment, and high levels of labor force participation, particularly for women (Stamsø, 2008, p. 6). Despite some restructuring and retrenchment measures, most of these characteristics still persist (Stamsø, 2008, p. 9). The question is to what extent these social-democratic characteristics are also visible in the housing system.

In order to find an answer to this question, Stamsø (2008) has analyzed the Norwegian housing policies for both 1980 and 2005, using my housing policy regime framework as a theoretical basis. She concludes that in 1980, Norwegian housing policy was largely social-democratic in character. Universal housing policy goals were implemented by regulating house prices, interest rates, and rents; moreover, subsidies were available for the large owner-occupied sector (Stamsø, 2008, p. 11). In Norway, social-democratic objectives were

pursued in the homeowning sector and the cooperative sector[5] rather than in the social rental sector (as is the case in most social-democratic countries). One of the key goals of Norwegian housing policy was that the distribution of housing should be more equal than the distribution of income. In order to achieve this goal, Norwegian homeowners and would-be homeowners could get subsidies and cheap loans through the Norwegian State Housing Bank. These subsidies were provided in such a way that they had a redistributive effect. The residents in the cooperative sector (19% of the total housing stock in 1981) could also apply for cheap loans from the State Housing Bank. Moreover, housing cooperatives had access to land at below-market prices. In 1980, the prices of cooperative dwellings were strictly regulated and these dwellings were allocated according to membership criteria (seniority). As a result of these policies, both the owner-occupied and the cooperative sector were rather strongly decommodified, which Stamsø interprets as a social-democratic trait.

Between 1980 and 2005, the social-democratic characteristics of Norwegian housing policies were largely replaced by liberal traits. Deregulation of the credit market and the abolition of large-scale subsidies for owner-occupation marked a major change in Norwegian housing policy. A publicly financed owner-occupation sector was transformed into a privately financed sector based on market terms. Housing policy expenditure decreased and policy measures became more closely targeted at lower-income groups. These measures mainly took the form of subject subsidies (housing allowances). In the cooperative sector, the principles of price regulation and rules of allocation were gradually abolished (Stamsø, 2008, p. 19). The liberal features of current Norwegian housing policy contrast with the other pillars of the Norwegian welfare state, which are still mostly social-democratic.

8.2.3 Conclusion

Table 8.1 shows the relationship between the welfare state regime and the housing policy regime for the three countries under consideration. Although some correspondence between these two regimes is apparent, their interrelationship is far from univocal. In several cases, the characteristics of the housing policy regime are different from those of the welfare state regime. This fact may be interpreted in three ways.

Interpretation 1: Housing as an isolated pillar of the welfare state?
First of all, it might be that housing, and therefore also housing policy, is not very well integrated in the welfare system. In that case, the housing system

5 The cooperative sector provides an alternative to outright ownership and renting as it gives tenants an individual right of use as well as a collective property right.

Table 8.1 The welfare state regime and the housing policy regime in the Netherlands, Belgium (Flanders), and Norway

	Welfare state regime according to Esping-Andersen (1990)	Housing policy regime 1980s	Housing policy regime 1990s (2005 for Norway)
Netherlands	Mix of conservative-corporatism and social-democracy	Mix of corporatism and social-democracy	'Modern corporatism'
Belgium (Flanders)	Conservative-corporatist	Mix of liberalism and conservative-corporatism	Mix of liberalism and conservative-corporatism
Norway	Social-democratic	Social-democratic	Liberal

Source: Based on findings from Subsections 8.2.1 and 8.2.2

would operate largely autonomously from the rest of the welfare state. Rather than being a pillar, wobbly or not, supporting the roof of the welfare state, housing would be seen standing at some distance from the edifice of the welfare state – as an isolated pillar. In my opinion, the relationship between the welfare state regime and the housing policy regime is too strong for this option to be very plausible.

Interpretation 2: Different power distributions in different domains of the welfare state?

The second interpretation is related to Esping-Andersen's observation that his welfare regime types are ideal typical constructs. He states that there is no single pure case and that elements of all three welfare state regimes can be found in most countries (Esping-Andersen, 1990, p. 49). This implies that not all pillars of the welfare state regime would necessarily have the same characteristics. For example, a social-democratic welfare state regime could well consist of three social-democratic pillars and one mainly corporatist pillar. Kemeny (2006) also recognizes this when he talks about 'sector regimes'. He argues that large differences can arise between welfare sectors in negotiating the power balance between diverse interests. It may be that while labor interests are strong in one sector – for example, tenants in the housing sector or unions in the labor market sector – they can be weak in another, for example 'pensioners associations' in the pension sector (Kemeny, 2006, p. 9).

Interpretation 3: How to explain shifts in the housing policy regime?

The two interpretations outlined above explain why characteristics of the housing policy regime may differ from characteristics of the general welfare state regime. However, they do not offer a good explanation for sudden shifts in the housing policy regime, as have occurred in Norway and to a lesser extent in the Netherlands. The third interpretation might offer a suitable explanatory alternative. The converse of the first one, the third interpretation stresses the interrelationship between housing policies and the other domains of the welfare system. It is grounded in ideas of Stephens et al. (forthcoming) and Stephens and Fitzpatrick (2007), who state that the relationship between welfare state regimes and housing systems is bilateral rather than unilateral. On the one hand, the welfare state regime clearly exerts an influence on the housing system; it defines the parameters within which housing systems and housing policies operate. On the other hand, the housing sys-

tem is certainly not a passive victim of the welfare state regime but itself exerts an independent influence on this regime. According to Stephens et al. (forthcoming), the functions that are carried out by the housing system partly overlap with those of the other sectors of the welfare state regime. Hence, the housing system may either accentuate or soften the outcomes of these other sectors.

Housing allowances, for example, cushion the effects of policies in the field of social assistance and social security. This is clearly visible in the United Kingdom, which has a housing benefit scheme that provides up to 100 percent of the rent costs. As a consequence, the social assistance benefits can be rather low. Thus, British housing policy measures partly compensate for a low decommodification in the social assistance and social security system. In most other countries, though, there is a general assumption that part of the social assistance benefit has to be used to pay the rent. This means that the social assistance benefit needs to be set at a higher level (Groves *et al.*, 2007, p. 7).

In the above example, the housing policy acts as a substitute for the deficits (whether deliberately caused by the government or not) in other areas of the welfare state, thus softening the effects of policies in these areas. However, it may also work the other way around. The decommodifying power of the social assistance and social security system may be such that a country can suffice with relatively limited expenditure on decommodifying housing policies.

In that case, the other domains of the welfare state act as a substitute for the housing policies. Possibly, such processes would explain why the Norwegian housing policy regime developed in a liberal direction between 1980 and 2005, whereas the Norwegian welfare state regime as a whole largely retained its social-democratic features. In my opinion, future international comparative housing research should pay more attention to the relationship between housing policies and policy developments in the other domains of the welfare state (see also Subsection 8.5.2).

8.3 From divergence theories and typologies to housing outcomes (research question 2)

8.3.1 Welfare state regime, tenure, and dwelling type (Chapter 3)

Differences between national welfare and housing systems are expected to express themselves in differences in housing outcomes. According to Kemeny, two housing outcomes are of particular importance in this respect: tenure and dwelling type.

Welfare state regime and tenure

In Hoekstra (2005), I looked at the relationship between welfare state regime and tenure[6] .

Countries belonging to the Mediterranean or liberal welfare state regimes were found to have a relatively high homeownership rate. The picture is much more mixed for the corporatist welfare state regime. Some corporatist countries, such as Belgium and France, have a fairly high rate of homeownership, whereas others, such as Germany and Austria, have a very substantial (mainly private) rental sector. As far as the tenure distribution is concerned, the social-democratic welfare state regime is a mixed bag as well. There are substantial social rental sectors in Denmark and Sweden but the social rental sector in Norway is very small.

Based on the above observations, some researchers, for example Groves et al. (2007), draw the conclusion that the Esping-Andersen typology is not a good framework for analyzing international differences between housing systems. In my opinion, such a conclusion is far too hasty. The housing system entails much more than the tenure distribution. It may therefore be misleading to equate the decommodification in the housing system with the size of the non-profit rental sector[7]. After all, housing that is provided by private commercial parties may be partly decommodified, for instance through housing allowances and/or fiscal measures. Thus, decommodification and the reduction of income inequalities may also take place in the homeowning or private rental sector. In my opinion, the Norwegian example (see Subsection 8.2.2) clearly illustrates this.

Welfare state regime and dwelling type

Whereas researchers have devoted considerable attention to the relationship between welfare state regime and tenure category, the relationship between welfare state regime and dwelling type has been left almost completely unexamined. Early on, Kemeny (1992) hypothesized that the dwelling type might constitute a key link between the welfare state regime and the housing system, with apartments being more important and appreciated in collectivist unitary rental systems than in privatist dualist rental systems. Yet this hypothesis has never been tested in international comparative housing research. This inspired me to investigate this topic in more detail. Using data from the European Community Household Panel (ECHP), I have assessed how the incidence, the tenure category, the quality, and the appreciation of single-family dwellings compared to apartments differ among the four welfare state

6 That contribution is not included in this thesis. See also footnote 2 of this chapter.

7 Unfortunately this still happens in contemporary international comparative research: see for example Gran (2008) and Groves et al. (2007).

Table 8.2 Features of single-family dwellings compared to apartments in the four welfare state regimes

	Social-democratic	Conservative-corporatist	Liberal	Mediterranean
Countries	The Netherlands, Denmark, Sweden, Finland	Belgium, Germany, France, Austria	United Kingdom, Ireland	Spain, Portugal, Greece, Italy*
Share of apartments	Substantial	Substantial	Low	Substantial
Tenure of apartments	Mainly rented	Mainly rented	Mainly rented	Mainly owner-occupied
Apartments are in better condition than single-family dwellings?	No	No (except Belgium)	No	Yes
Apartments are considerably smaller (number of rooms) than single-family dwellings?	Yes	Yes	Yes	No
Residents in apartments are less satisfied with their housing situation than residents in single-family dwellings?	Yes	Yes	Yes	No

* Different from Chapter 3, here Italy is classified as a Mediterranean welfare state regime.

Source: Based on findings from Chapter 3

regimes (social-democratic, conservative-corporatist, liberal, Mediterranean).

Based on this analysis, I observed some striking differences between the Mediterranean welfare state regime and the other three (see also Table 8.2):

- In the Mediterranean welfare state regime, apartments are mainly owner-occupied, whereas in the other three welfare state regimes they are mainly rented;
- In the Mediterranean welfare state regime, apartments are on average in better condition than single-family dwellings, whereas this is not the case (it is mostly the other way round) in the other three welfare state regimes;
- In the Mediterranean welfare state regime, there are limited differences in size (measured as number of rooms) between apartments and single-family dwellings, whereas these differences are much greater in the other three welfare state regimes;
- In the Mediterranean welfare state regime there are no clear differences in housing satisfaction between residents of apartments and residents of single-family dwellings, whereas in the other three welfare state regimes residents in single-family dwellings are more satisfied with their housing situation than residents in apartments.

In the last section of Chapter 3, I speculated about the explanations for the above differences. I concluded that the following factors could be in play: the role of the family and the importance of having relatives and friends in the immediate vicinity; the position of homeownership and social renting within the housing system; and the degree of urbanization and suburbanization. Future research is needed to shed more light on the importance of each of these

factors, as well as on other possible explanatory factors (see also Subsection 8.5.4). In any case, the distinctive position of the Mediterranean welfare and housing systems that resulted from the analysis was an important reason to study these systems in more detail, using Spain as a case study (Chapters 6 and 7).

8.3.2 Unitary and dualist rental systems (Chapter 4)

The aim of Chapter 4 was to subject Kemeny's rental system typology to empirical testing. One of the charms of this typology is that it covers the rental market as a whole. Thereby, it highlights the relationship between the social rental and the market rental sector. Kemeny (1995) distinguishes two main types of rental system: unitary and dualist. The differences between the social and market rental sectors are minor in unitary systems but major in the dualist type (see also Table 1.2 in Chapter 1). According to Kemeny, the differences between the two types of rental system are to a large extent policy-driven. They are the result of the long-term interaction between the economic development of rental housing stocks and the policy decisions regarding that development. The key question is whether housing policies allow the social rental sector to become 'mature' and 'competitive'. (See Chapter 4 for more information on the political and economic processes that lie at the basis of unitary and dualist rental systems.) One would expect that the policy differences will manifest themselves in differences in housing outcomes, notably in the characteristics of the dwelling stock and the socio-economic profile of the tenants. However, systematic international comparative research on this issue is lacking. Consequently, it remains unclear whether the assumed differences between unitary and dualist rental systems really do have an empirical basis. By comparing the characteristics of the social rental sector with those of the market rental sector in three presumed unitary rental systems (the Netherlands, Denmark, and Austria) and three presumed dualist rental systems (United Kingdom, Ireland, and Belgium), I have attempted to elucidate this issue. For this purpose, I have translated Kemeny's rental system typology into four hypotheses (see Table 8.3) that were tested with data from the European Community Household Panel (ECHP).

Although no formal statistical tests have been carried out, the four hypotheses were supported reasonably well by the empirical data (see Chapter 4 for more details). The housing outcomes in the presumed unitary rental systems are indeed different from those in the presumed dualist rental systems. This clearly suggests that Kemeny's rental system typology makes sense, at least for the countries that were included in the analysis, although further research is needed before firmer conclusions can be drawn.

Table 8.3 Expected differences between unitary and dualist rental systems: four hypotheses

	Unitary rental system	Dualist rental system
1. Share of owner-occupancy sector	Relatively small	Relatively large
2. Level of housing quality	Relatively small differences in Housing quality between the owner-occupancy sector and the social rental sector	Relatively large differences in Housing quality between the owner-occupancy sector and the social rental sector
3. Income distribution of tenants	Relatively limited residualization (concentration of lower-income groups) in the social rental sector	Relatively strong residualization (concentration of lower-income groups) in the social rental sector
4. Rent levels, corrected for housing quality	Small differences between social rental and market rental dwellings	Large differences between social rental and market rental dwellings
Countries	The Netherlands, Denmark, Austria	UK, Ireland, Belgium

Source: Chapter 4 (Table 4.1)

8.3.3 Homeownership and housing satisfaction (Chapter 5)

In many countries, national housing policies encourage homeownership. This objective is based on the assumption that owning one's house has a positive effect on both the individual and society as a whole. Homeownership is expected to lead to greater housing satisfaction and a greater self-esteem for individuals, besides more commitment to the neighborhood. It is interesting to note that the theories relating to the benefits of homeownership are usually formulated by observers in the English-speaking countries. Saunders (1990), for example, reports a natural preference for homeownership in the Anglo-Saxon world. This means that such theories refer to dualist rental systems (see also Chapter 4). In such systems, rent regulation and tenant security in the market rental sector are limited, which makes market renting a very insecure option for tenants. Tenants are more secure in the social rental sector of dualist rental systems, but this sector tends to be only accessible to the lowest-income groups (safety net), and it often bears a negative stigma. Consequently, for most households in a dualist rental system, basic security and social success can only be found in the homeownership sector. This generalization also holds for Southern European countries[8]

There, the preference for homeownership seems to be embedded in a financial family strategy rather than being solely an individual tenure choice (see also Chapter 7 of this thesis).

In countries with a well-developed rental sector and sufficient security of tenure – the unitary rental systems, to use Kemeny's term – the situation is expected to be different. Here, the rental sector (both social rental and market rental) tends to be substantial in size. Moreover, it offers good housing quality, tenant security, and affordable rents. Consequently, a rental dwelling is expected to offer a satisfactory alternative to homeownership for substantial segments of the population (Behring and Helbrecht, 2002).

8 These countries are left out of Kemeny's rental system typology

Table 8.4 The relationship between homeownership and housing satisfaction in three groups of countries

	Dualist rental systems	Unitary rental systems	Southern European countries
Summary of theory	Natural preference for homeownership. Homeownership provides security, freedom, and financial advantages. The rental sector is a second-best stigmatized tenure.	The rental sector is substantial in size and offers good quality, affordable rents, and sufficient tenant protection. Consequently, renting is a good alternative to homeowning for much of the population.	Homeownership is part of a family tradition. Social rental sector is poorly developed.
Hypothesis	Homeowners are more satisfied with their housing situation than tenants.	Homeowners are not more satisfied with their housing situation than tenants.	Homeowners are more satisfied with their housing situation than tenants.
Selected countries	United Kingdom, Ireland	Austria, the Netherlands, Denmark	Spain, Italy, Greece

Source: Chapter 5 (Table 5.1)

Based on the literature review summarized above, we (Marja Elsinga and I) hypothesized that the appreciation of homeownership depends on the national institutional context. In order to test this assumption, we have carried out an international comparison of the relationship between homeownership and housing satisfaction. The hypotheses that were formulated are presented in Table 8.4.

The hypotheses were tested by performing a statistical analysis of the data from the European Community Household Panel (ECHP). For this purpose, a multiple regression analysis was carried out. The dependent variable was housing satisfaction and the predictor variables were tenure category, housing quality, household characteristics, and housing costs. It proved that in all the selected dualist rental systems as well as in the Southern European countries, the type of tenure has an autonomous influence on housing satisfaction, with homeowners being more satisfied than tenants. Thus, the hypotheses that were formulated with regard to these two groups of countries were supported by the empirical data.

For the unitary rental systems, the picture turned out to be diverse. In Austria, the type of tenure did not have an autonomous influence on housing satisfaction, which is in line with our hypothesis. In the Netherlands and Denmark, however, homeowners were significantly more satisfied with their housing situation than tenants, also when correcting for differences in housing quality, household characteristics, and housing costs.

8.3.4 Divergence theories and typologies and housing outcomes: conclusion

The three articles summarized in Section 8.3 all tested to what extent the divergence theories and typologies of Esping-Andersen and/or Kemeny offer a good explanation for the differences between countries with regard to measurable housing outcomes such as tenure, dwelling type, housing quality, rent levels, income distribution of tenants, and housing satisfaction. The main re-

Table 8.5 Housing outcomes according to the typologies of Kemeny and Esping-Andersen

Welfare state regime (Esping-Andersen)	Social-democratic	(Conservative) Corporatist	Liberal	Mediterranean
Ideology, political structure and type of rental system (Kemeny)	Collectivist ideology, corporatist political structure and unitary rental system	Collectivist ideology, corporatist political structure and unitary rental system	Privatist ideology, non-corporatist political structure and dualist rental system	Not included in Kemeny's theory and typology
Share of homeownership sector	Mixed	Mixed	High	High
Quality and appreciation of apartments compared to single-family dwellings	Low	Low	Low	High
Housing outcomes with regard to the rental market	Typical of a unitary rental system	Typical of a unitary rental system	Typical for a dualist rental system	Not included in the analysis
Housing satisfaction of homeowners compared to tenants	High	Mixed	High	High

Source: Based on the findings from Chapters 3, 4 and 5

sults of these articles are presented in Table 8.5. Based on this table, the following conclusions may be drawn with regard to the relevance of both frameworks.

The utility of Esping-Andersen's typology for predicting housing outcomes depends on which housing aspect and welfare regime type one is looking at. For almost all housing aspects, the differences between the social-democratic and the corporatist welfare state regime turned out to be limited.

As for the housing outcomes with regard to the rental market and, to a somewhat lesser extent, the share of the homeownership sector, the liberal welfare state regime showed different housing outcomes than the social-democratic and the conservatist-corporatist regimes. The housing outcomes in the Mediterranean welfare state regime are similar to those in the liberal welfare state regime, except for one aspect. The quality and appreciation of apartments compared to single-family dwellings is much higher in Mediterranean countries than in liberal countries. This research finding, which is possibly related to some specific characteristics of the Southern European welfare and housing systems, was one of the reasons for analyzing these systems in more detail (Chapters 6 and 7 of the thesis).

Given the small differences in housing outcomes that were found between the social-democratic and the conservative-corporatist welfare state regimes, Kemeny's rental system typology might offer a good alternative for the Esping-Andersen framework. After all, in this typology both the social-democratic and the corporatist welfare state regimes are seen as unitary rental systems with a collectivist ideology and corporatist power structures, as opposed to the privatist and non-corporatist dualist rental systems in the liberal welfare state regimes.

Table 8.5 shows that the unitary versus dualist rental system dichotomy serves well as a predictor of outcomes on the rental market (see also Chapter 4 of this thesis). Its utility is somewhat less pronounced when it comes to predicting differences in the tenure distribution. Finally, no empirical support was found for Kemeny's hypothesis that the characteristics and the appreciation of single-family dwellings compared to apartments differ between the different types of rental system. In both types of rental system, single-family dwellings were of higher quality and were more appreciated than apartments. Based on this finding, some people would argue that Kemeny's hypothesis of a direct relationship between welfare state regime and dwelling type is a bit overstretched. However, I also observed that the quality and appreciation of apartments clearly differs between the Mediterranean regime and the other three, which suggests that the type of welfare state regime does matter after all. Certainly, any causal relationship between the welfare state regime and the characteristics and the appreciation of the different dwelling types runs through intermediary variables such as the degree of urbanization, the function and use of public spaces, the role of private and public transport, and the importance of having friends and relatives in the immediate vicinity. Therefore, further research on such intermediary factors is needed to shed more light on this issue (see also the agenda for further research set forth in Subsection 8.5.4).

Data limitations

All three articles discussed in this section have used the European Community Household Panel (ECHP) as a data source. As indicated in Chapter 1 (Subsection 1.4.3), this database has a number of limitations. First of all, it is not specifically designed for housing research. Although the ECHP contains substantial information about housing, its primary focus is on the socio-economic characteristics and practices of households. Possibly as a result of this some housing variables have turned out to be somewhat less reliable. Second, the sample sizes in the ECHP are such that refined analyses, in which the database is split up in many subgroups, were not often possible. In this respect, the statistical possibilities of the ECHP are considerably less than those of censuses, in which the number of cases is many times larger.

Third, as result of the combined effects of panel attrition and weighting procedures, the reliability of the ECHP - which is a panel survey that has run for eight years (between 1994 and 2001) - may diminish in the course of time (Vandecasteele and Debels, 2007).

Given the above limitations, and also because of the exploratory character of each of the ECHP-based articles, the statistical analyses that have been carried out were relatively straightforward and simple (analysis of bivariate relationships, cluster analysis, multiple regression analysis). In my opinion, a more advanced and refined statistical analysis, if at all possible, would only

have added real value if better data had been available. Let us hope that this drawback will be overcome in future data collection.

8.4 Southern European welfare and housing systems (research question 3)

8.4.1 Spanish housing policies: a subsidized homeownership sector (Chapter 6)

Social housing is usually equated with social rental housing. Nevertheless, the example of Norway, mentioned earlier in this chapter (Subsection 8.2.2), shows that social objectives may also be pursued in the owner-occupancy sector. Social homeownership policies seem especially plausible in welfare systems in which there is a strong preference for homeownership, such as the Mediterranean and the liberal welfare state regimes.

Chapter 6 of the thesis describes the policies towards subsidized homeownership in the Mediterranean welfare state regime of Spain. In this country, the social rental sector is minimal and social housing is mainly provided in the owner-occupancy sector. Subsidized owner-occupancy housing is geared towards low- and medium-income households and may be provided by both public and private developers. The production of subsidized homeownership dwellings is coordinated through a complex financing system in which both house builders and homebuyers can receive financial support from the government. In return for this support, the house builders have to sell the subsidized homeownership dwellings at a price that is considerably below market level. Consequently, the demand for subsidized homeownership dwellings tends to be high. For most of these dwellings, distribution occurs by means of a housing allocation system, usually a lottery.

Dwellings developed with the help of public money are only considered as subsidized housing for a given period of time, called the qualification period. During this period, the dwellings can only be sold at prices that are determined by the government, with the aim of preventing speculation. When the qualification period expires, the dwellings lose their status as subsidized housing and are incorporated into the 'normal' housing stock, which implies that they can be sold at market prices. The typical qualification period for Spanish subsidized owner-occupancy dwellings used to be 20 to 30 years.

Recently, however, there have been policy changes in some Spanish regions that make the qualification period much longer than it was before (for example 90 years) and sometimes even permanent, as is the case in the autonomous region of the Basque country. Consequently, the Spanish subsidized homeownership sector seems to be turning into a permanent rather than a temporary tenure sector. This development might lead to a reduction of the

already low mobility rate and a stronger compartmentalization of the housing market.

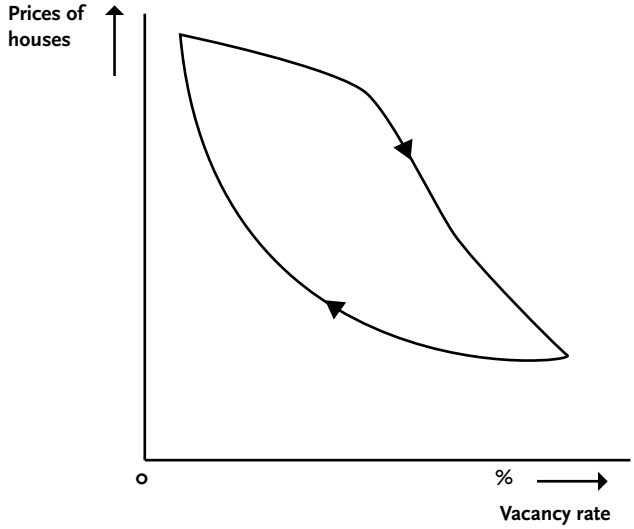
8.4.2 The Spanish housing market: a high vacancy rate and rising house prices (Chapter 7)

The starting point for Chapter 7 of the thesis was an observation by my colleague Cyrus Vakili-Zad. He noted that the Southern European EU countries, but especially Spain and Malta, are characterized by both high vacancy rates and rising house prices. We hypothesized that this phenomenon is related to the specific features of the Southern European welfare and housing systems. We explored this idea in a joint conference paper in which both Spain and Malta were included (see also Subsection 1.5.3). For the sake of feasibility and data availability, we later split the project into a journal article on Spain (Chapter 7 of the thesis) and one on Malta (submitted, under review).

According to standard economic theory, one would expect to find a negative relationship between the vacancy rate and the house price development. In a well functioning economic market, supply and demand are supposed to be in balance. For the housing market, this would imply that there is no oversupply of dwellings and that the vacancy rate is low. However, various authors (Needleman, 1965; Priemus, 1978; Janssen, 1992) have argued that some characteristics peculiar to the housing market make standard economic theories less applicable. Needleman (1965), for one, stresses the cyclical character of the housing market. He states that demand for dwellings tends to be more volatile than supply. He also argues that it takes some time before changes in the balance between supply and demand in the housing market are translated into changes in house prices. House prices will only start to decrease once demand drops below a certain threshold. As a result of these factors, the housing market is cyclical (see Figure 8.2). This cyclical pattern means that the exact ratio of vacancy rate to house prices depends on the particular phase in the housing cycle a housing market is in.

At first sight, neither standard economic theory nor the housing cycle approach would seem to apply to the Spanish housing market. Although in different ways, both approaches assume that over a longer period of time there is a correlation between the development of house prices and the vacancy rate. In Spain, such a correlation seems to be absent altogether. From 1980 until 2007, the vacancy rate in Spain hovered around the 15% level. In the same time period, house prices increased tremendously. Thus, at the national level, there is no relationship between the vacancy rate and the house price development. Our more detailed analyses have shown that this also applies at the provincial and the municipal level. In Chapter 7, we used the term 'Spanish paradox' to indicate the lack of a correlation between vacancy rate and house price development in the Spanish housing market.

Figure 8.2 The relationship between house prices (y-axis) and vacancy rate (x-axis) according to the housing cycle of Needleman



Source: Based on Priemus, 1978, p. 202

We have tried to explain the 'Spanish paradox' from a welfare regime perspective, using the particular features of the Southern European housing systems as explanatory factors. Our tentative conclusion is that the relationship between vacancy rate and house price development on the Spanish housing market is fundamentally flawed because a substantial share of the vacant dwelling stock is actually not available for the housing market. In this regard, the following four factors, which are typical of Southern European housing systems, play an important role.

1. Buying homes for investment reasons

For various historical and welfare state-related reasons (see Chapter 7 for an elaboration), the homeownership sector has been a favorite investment outlet for large segments of the Spanish population over a long period of time. Consequently, the demand for dwellings was often much stronger than demographic developments (e.g., growth in the number of households) would justify, a situation that could lead to the creation of a speculative bubble on the housing market. In Spain, such a speculative bubble has indeed emerged in the first decade of the 21st century. Especially in the period 2000 till 2007, very sharp house price increases went hand in hand with a high housing construction rate. This trend was not curbed by a correction on the housing market. That is because many of the dwellings bought or developed for investment reasons were actually kept vacant without being on offer on this market. After all, as long as the house prices keep on rising considerably, there is no need for the owners of these 'investment dwellings' to put them up for sale. Under such market conditions, merely possessing a dwelling is enough to yield a return that is attractive (albeit fictitious as long as the dwelling is not sold).

Of course, letting the dwelling instead of keeping it vacant would have led to even higher profits. However, doing so is generally perceived as a risky business in Spain because of the strict tenant protection.

2. Strong rural-to-urban migration

For several decades, Spain has been characterized by a strong rural-to-urban migration. Due to the economic transition (less employment in agriculture, more in services), many people have left their rural villages in search of work in the cities, thus vacating their village dwellings. A substantial part of these dwellings are not offered on the housing market because their owners do not want to sell them for sentimental and/or nostalgic reasons[9] .

These houses usually remain in the possession of the family who had left the village. Also, a substantial share of these empty properties are in a bad state of repair. Thus, even if the owner wanted to sell, there would probably be very limited interest in the dwelling anyway. This applies especially to vacant dwellings in a remote village.

3. An important role for the family supporting access to housing

The familialism that characterizes the Southern European welfare and housing systems also contributes to the occurrence of the 'Spanish paradox'. As a result of this familialism, dwellings are often family possessions, and they stay in the same family for a long time. Through inheritance, they are passed from grandparents to parents, from parents to children, and sometimes also between other family members. Even if there are no family members interested in occupying a dwelling that is in the family's possession, these dwellings are often kept vacant instead of being sold or let, because family members may need them at a later stage. Furthermore, some Spanish households buy a house for their children or grandchildren with a view to their eventual departure from the parental home. Often, such family-bought properties remain vacant until the children or grandchildren are ready to occupy them. Homeownership in Spain is often part of a family investment strategy.

4. A large number of second homes

The number of second homes in Spain has increased considerably in recent decades. Many such homes have been built for the purpose of providing holiday accommodation for relatively wealthy households from the Spanish urban areas or from other parts of Europe (sun seekers). The rise in affluence in the European Union in general, and in Spain in particular, the ageing population (pensionados), the increase in leisure time, and the improvement of infrastructure and transport systems (low-cost airlines flying to regional air-

9 Occasionally, such dwellings are also used as a second home (but then they don't classify as vacant dwellings).

ports) have all contributed to the growing demand for secondary dwellings. Moreover, just like primary dwellings, second homes were often seen as a safe and profitable long-term investment (Léal, 2006).

Although Chapter 7 is about permanently vacant dwellings and not second homes (temporarily vacant dwellings), both phenomena are related to each other in Spain. This is because it is often difficult for the Spanish census-takers to determine whether a particular dwelling is permanently vacant or used as a secondary home. As a result, there are indications that in the Spanish census – the main data source used in Chapter 7 – some of the dwellings classified as vacant are actually second homes. If there indeed is such a bias in the Spanish census, this would imply that an increase in the number of second homes would also result in an increase in the number of vacant dwellings. In that case, the high vacancy rate in Spain may be partially caused by the rise in second-home ownership.

Explaining the Spanish paradox

In short, we have concluded that the specific features of the Spanish housing system result in a relatively high share of vacant dwellings, but that these very factors also prevent vacant dwellings from actually being offered on the housing market. Thus, a high vacancy rate is not synonymous with a large supply. In our opinion, this explains why there is no clear relationship between vacancy rate and house price development in the Spanish housing market. This phenomenon is certainly not without some risk. In 2008, when the global economic crisis started, the oversupply – till then largely hidden – of dwellings on the Spanish housing market came to light. As a result, the Spanish property sector collapsed and Spain was hit extra hard by the economic recession; property prices decreased strongly.

8.4.3 Conclusion

International comparative research that includes the Southern European welfare and housing systems has remained relatively scarce until now. This was an important reason for including two papers on the Southern European welfare and housing systems in this thesis (Chapters 6 and 7). I think the findings of Chapters 6 and 7 rather clearly suggest that the Southern European welfare systems result in specific housing policies and housing (market) outcomes. Chapter 6 suggests that these welfare systems are very likely to stimulate homeownership over and above renting, for example through social homeownership policies. Chapter 7 shows that the peculiar characteristics of the Southern European housing systems may break down the expected negative relationship between house price developments and vacancy rate. In my opinion, support for a distinct Southern European housing system may also be derived from the findings in Chapter 3 (the characteristics and apprecia-

tion of apartments are different in Southern European EU countries than in the rest of the European Union). Additional support may be found in the work of other authors who have reported on this subject (Barlow and Duncan, 1994; Allen *et al.*, 2004; Allen, 2006; Arbaci, 2007).

However, I must also admit that the empirical analyses that I carried out in the chapters 6 and 7 only refer to a limited number of housing aspects (subsidized homeownership policies, the relationship between house price development and vacancy rate) in one country alone (Spain). Therefore, further research on this topic is definitely needed. In Subsection 8.5.4, I outline what I see as the main directions for such future research.

8.5 Agenda for further research

8.5.1 Introduction

All the articles in this thesis take a rather broad and exploratory approach. Consequently, apart from attempting to provide answers to the research questions, each one also raises some new issues for future analysis. This is illustrated by the fact that each article ends with a rather extensive agenda for further research. In this section, this research agenda is summarized, further refined, and updated according to my most recent insights. A separate subsection is dedicated to each research question.

8.5.2 Welfare state regimes and housing policy (research question 1)

In my opinion, the housing policy regime approach that I developed in Chapter 2 provides a good starting point for further research. Such research may be carried out along the following lines.

Extend the approach to other countries
The application of the housing policy regime framework should be extended to other countries. Only by taking into account many more cases than the three countries covered in Table 8.1 could general conclusions be drawn on the applicability of the housing policy regime framework.

Apply the modified framework to other domains of the welfare state and other countries
Based on my application of Esping-Andersen's welfare state regime typology to the Dutch housing system, I developed a modified version this typology. The concept of modern corporatism is the main innovation. It should be noted that this modified framework is predominantly derived from my analysis

of the Dutch housing policy regime. In that light, some questions arise. Does the modified framework also apply to other segments of the welfare state, such as social insurance, pensions, healthcare, or education? And does it also apply to housing policy regimes of countries other than the Netherlands? Research into these issues is needed.

Testing theories instead of typologies

In Chapter 2, I translated Esping-Andersen's welfare state regime typology into a housing policy regime typology. So doing, I assumed that the theory of power and class coalitions, which underlies the welfare state regime typology, would also apply to the housing regime typology. However, this assumption was not tested in my study. Therefore, I think that future research should give due attention to the power constellations and relations that underpin the formation of housing policy. How do these shape a housing policy regime? And to what extent does this correspond to the developments in other fields of the welfare state? (See also the second explanation mentioned in Subsection 8.2.3.) In short, it is not only the typology of Esping-Andersen that should be applied and tested; so should the theory of power relations that underlies this typology. This would require a more historical analysis that has much in common with the path dependence approach, as described in the next paragraph.

Compare and combine my approach with the path dependence approach

It would be particularly interesting to compare my approach with the path dependence approach that has recently been applied in an international comparative research project on the housing systems of the Nordic countries (Denmark, Sweden, Norway, Finland, and Iceland). In this project, path dependence is interpreted as a historical pattern where one event, which is more or less contingent, considerably changes the probability of subsequent alternative events or outcomes (Bengtsson and Ruonavaara, 2010, p. 3). The general idea is that if, at some point in time, the historical development takes one direction instead of another, some, otherwise feasible, alternative paths will be closed – or at least difficult to reach – at a later point (Bengtsson and Ruonavaara, 2010, p. 1).

Bengtsson (2008, 2009) states that the process of path dependence has resulted in rather large differences between the housing regimes[10] of the five Nordic countries (Denmark, Norway, Sweden, Finland, Iceland). That is striking since these countries have many similarities with regard to cultural, economic, political, and welfare-state related aspects. According to Bengtsson, this divergence is due to the fact that in the formative period of the Nordic

10 A housing regime is defined as a set of fundamental principles according to which a system of housing provision is organized (Bengtsson, 2004, p. 6).

housing regimes, between 1900 and World War II, different solutions were chosen in order to deal with the specific housing problems in each of the countries concerned. When more comprehensive housing policy programs were introduced after the war, it was generally deemed efficient to use existing organizations and institutions for their implementation (Bengtsson, 2009, p. 6).

Given the findings of Bengtsson, one might wonder whether a welfare state regime approach, such as the approach that I have taken in Chapter 2, is really suitable for analyzing housing policies. In my view, the answer to this question should still be 'yes'. Indeed, it is true that the various Nordic housing regimes differ from each other substantially with regard to the tenure distribution, the institutions on the housing market, and the housing policy instruments that are applied. However, if one looks at the political objectives that underlie these variations, a fair amount of similarity also comes to the fore. In this regard, Lujanen typifies the various Nordic housing policy regimes as having "considerable differences with a common foundation" (Lujanen, 2004, p. 16). He underpins his statement by pointing to the fact that all five Nordic countries seek to provide housing of a decent standard for the whole of their population (high decommodification). Furthermore, the differences in housing standards between low- and high-income groups are small compared to those in most other countries (low stratification). Finally, all Nordic countries are characterized by relatively extensive government intervention on the housing market (important role for the state in the state-market-family mix)[11].

Thus, following Lujanen, one may hypothesize that on the three basic principles of Esping-Andersen's welfare regime typology – decommodification, stratification, and the mix of state, market, and family, the very same principles that I have used to construct my housing policy regime typology – the differences between the Nordic countries are not so big after all. Possibly, although the basic ends of housing policy are largely the same in all Nordic countries, there is substantial variation, caused by path dependence and local circumstances, in the means and structures that are used to achieve these ends. It would be very interesting to apply my housing policy regime framework to all five Nordic countries to see whether the hypothesis formulated above really withstands the test.

In relation to the above observations, I think it is worth noting that there are some important differences between my housing policy regime approach and Bengtsson's path dependence approach. Mine starts from a rather high level of analysis and looks at the basic characteristics of national housing pol-

11 One may wonder how this relates to the findings of Stamsø (2008), who concludes that Norwegian housing policy in 2005 mainly had liberal characteristics (see also Subsection 8.2.2).

icies, structured around the concepts of 'decommodification', 'stratification', and 'state-market-family mix'. Further, my analysis is largely irrespective of specific housing institutions and tenure patterns. Bengtsson's approach, on the other hand, starts at a lower level of analysis and pays attention to specific housing actors and forms of tenure institutionalization. He analyzes historical processes in order to find out how these have come into being in particular countries. In my opinion, this difference in focus makes the two approaches complementary. It would therefore be very interesting to combine them in future international comparative research on housing policies.

Connect housing policy to developments in the rest of the welfare state

Last but certainly not least, I think the analysis of housing policies should be more firmly embedded within the broader context of the welfare state. In Subsection 8.2.3 (interpretation 3), it was noted that the welfare system and the housing system may be connected through specific policy measures such as housing allowances. However, the relationship between welfare systems and housing systems may also run through the owner-occupancy sector. This connection has recently received considerable attention in the literature. It all started with Kemeny's famous trade-off hypothesis that was formulated around 1980 and revisited in 1998 (Castles, 1998). It states that a high share of homeownership tends to go hand in hand with a poorly developed pension system. This is mainly due to the fact that as a result of the high housing costs for starters on the homeowning market, there will be strong resistance to the high taxes that are necessary for an extensive welfare state (Kemeny, 2005; see Chapter 4 for more information on this hypothesis).

Inspired by Kemeny's ideas, various authors (Groves *et al.*, 2007; Malpass, 2008; Ronald, 2008; Toussaint and Elsinga, 2009) have analyzed the relationship between homeownership and welfare state development in more depth. Their focus has been on the concept of (housing) asset-based welfare. This concept has recently gained considerable currency in the United Kingdom, and it is also an important feature of the East Asian welfare and housing systems (Ronald, 2008). The pivotal notion in housing asset-based welfare is that homeowners can employ the assets accumulated in their dwelling as a safety net. They can use these assets as a supplement to (or even a substitute for) other welfare state provisions. Consequently, governments may perceive these housing assets as a justification to cut back spending in key areas of the welfare state, specifically social security and social assistance, pensions, healthcare, and education[12]

Housing may thus act as a lever for welfare state restructuring, which is

12 Whether this is desirable is another question. Malpass (2008, p. 17) notes that the outcomes of an asset-based welfare system tend to be very uneven.

why Malpass (2008, p.1) depicts it as an increasingly important cornerstone of the new welfare state.

Given the strong relations between housing policies and policies in other segments of the welfare state, I think it is important to analyze housing policies as an integral part of the welfare system rather than as a separate field. This means that future international comparative analyses should focus more on the interaction between housing policies, other welfare policies, tax systems (and possibly also policies such as regional policy and spatial planning), housing outcomes, and other welfare outcomes. Ideally, the development of this entire system should be studied over time so that one could assess how welfare policies and housing policies develop in relation to each other. (In this thesis, Chapter 2 only analyzes the development over time of housing policies, whereas the other welfare policies, or in fact the welfare state regime as a whole, are seen as given.) It should be realized, however, that such an undertaking is very time-consuming and can only be carried out by a team. Ideally, such a team should consist of housing researchers and specialists in other areas of the welfare state representing each of the countries under study.

8.5.3 From divergence theories and typologies to housing outcomes (research question 2)

This thesis contains three articles that relate the divergence theories and typologies of Esping-Andersen and Kemeny to measurable housing outcomes (Chapters 3 to 5 of the thesis). Each of these articles gives rise to a number of topics for further research that are outlined below.

Through which factors are welfare state regime and dwelling type related? (Chapter 3)

In Chapter 3, I looked at the correlation between the type of welfare state regime, on the one hand, and the characteristics and appreciation of the different dwelling types on the other. However, it should be noted that there are methodological reasons to question the value of such an approach. Rapaport (2001), for example, states that it is not very useful to directly relate a general and abstract concept such as a welfare state regime to something as concrete as a housing outcome. He suggests that a stepwise approach should be followed instead. First, there should be an investigation of how the nature of a particular welfare state regime reflects itself in intermediary concepts such as values, specific institutions, policies, rules, lifestyles, meanings etc. Subsequently, these intermediary concepts should be translated into hypotheses with regard to the housing outcomes. To a certain extent, Chapters 2, 4, 5, and 7 of this thesis have indeed followed this stepwise deductive process. However, such an approach is only possible if sufficient theoretical notions are avail-

able that can be translated into measurable hypotheses. There should be theoretical constructs at the intermediate level that adequately reflect the differences between welfare state regimes. Moreover, one should be able to translate these constructs into measurable hypotheses regarding housing outcomes.

For the relationship between welfare state regime and dwelling type, such theoretical notions were not available. That is due to the fact that Kemeny's hypothesis on this issue was not underpinned by a substantive theory. Consequently, Chapter 3 took a very exploratory and inductive approach and directly linked the concepts of 'welfare state regime' and 'dwelling type' to each other. With regard to the characteristics and the appreciation of apartments, clear differences emerged between the Mediterranean and the other three welfare state regimes (see also Subsection 8.3.1). The Mediterranean welfare state regime has a number of specific characteristics – including an important role for the family in the provision of welfare services, a not very extensive welfare state that started to develop relatively late, relatively little suburbanization, an intensive use of public spaces, a homeownership culture, a poorly developed social rental sector, and a relatively warm climate. In that light it would seem logical to focus further research on how such factors – which can be seen as intermediate concepts, to use Rapaport's terminology – influence the characteristics and appreciation of the different dwelling types in the Southern European EU countries. Ideally, such an analysis should analyze the relationship between economic growth, welfare state development, and urbanization patterns from a historical perspective, also taking into account the specific characteristics of individual countries. Furthermore, it should look into the differentiation within each of the dwelling types, since there are clear indications that in Southern Europe, single-family dwellings are inhabited by both wealthy upper-class households (who tend to live on the fringe of the main cities) and lower-income households that live in rural areas and some poor urban peripheries.

Unitary rental systems and economic competition (Chapter 4)

Chapter 4 provided an empirical test of Kemeny's rental system typology. However, the theory in which this typology is grounded was not extensively tested. In order to test this theory thoroughly, one should analyze not only the housing outcomes but also the housing policies and the economic processes that underlie them. Do the factors in play correspond with the mechanisms predicted in Kemeny's theory, or are there other forces at work?

Recently, some of my colleagues at OTB have carried out research in this field (Elsinga *et al.,* 2005; Van der Heijden *et al.,* 2008). On the basis of economic theories, they came to the conclusion that without state regulation or state support, non-profit social rental landlords will not be able to compete with profit-oriented market rental landlords in the long run. This is due to the various inefficiencies inherent in the non-profit sector – among other things,

productive inefficiency, an insufficient supply responsiveness, particularism, paternalism, and amateurism. Furthermore, as a result of isomorphism, non-profit organizations may come to behave more like for-profit organizations in the course of time.

If the economic theories that predict the above-mentioned inefficiencies are correct, this would imply that the last stage of Kemeny's trajectory for the development of unitary rental systems – a rental market without state support or state regulation in which a mature non-profit social rental sector strongly competes with the profit-oriented market rental sector[13], thereby keeping the general rent level relatively low (close to the cost price) – is not a viable vision.

Unfortunately, it is not possible to let the empirical facts determine which is right: Kemeny's theory or the economic theories. After all, so far an unregulated unitary rental market has never existed in reality, which makes it very much a hypothetical construct. Even in the Netherlands, a country often seen as a classic example of a unitary rental system, there is still some state support for non-profit housing associations, as well as extensive and rather strict rent regulation. Possibly, these policies give the social rental landlords an indispensable helping hand in their competition with the market rental sector.

Kemeny's theory states that unitary rental systems are the result of a complex interplay of both political and economic processes (maturation). With the economic processes being questioned, as indicated above, it might well be that the unitary rental systems that were observed in the Netherlands, Denmark, and Austria are primarily the result of political decisions rather than of economic processes. Further research should shed more light on this issue. In my opinion, such research should focus on the financial functioning of, and the investment decisions in, both the non-profit social rental sector and the profit-oriented market rental sector. Based on extensive empirical analyses, future research should assess whether social rental landlords are really less efficient than market rental landlords, as economic theory suggests.

Chapter 4 ended with the observation that the EU regulations on state support and competition might pose a threat to the unitary rental systems, an observation that has also been made by other Dutch researchers (Elsinga *et al.,* 2008; Gruis and Priemus, 2008). In the autumn of 2009, the Dutch government finally reached agreement with the European Commission on what is often called 'the Dutch case'. It was agreed that at least 90% of the social rental dwellings with a regulated rent (rent level < € 648[14]), should be allocated to

13 In Kemeny et al. (2005), such an unregulated unitary rental market is termed an integrated rental market; see also footnote 9 in Chapter 1.

14 This applies to the period July 1, 2009 till June 30, 2010.

households with a taxable yearly income below €33,000[15]. This target group covers 43% of all households in the Netherlands. The government has indicated that a regional differentiation with regard to the 90% norm will be made possible in the future. Furthermore, households whose income rises above the target group's income limit after the dwelling has been allocated to them are allowed to stay in their dwelling. The 90% target group norm thus only applies at the moment of housing allocation.

But what does the above agreement imply for the future of the unitary rental systems in the EU in general and that of the Dutch rental system in particular? I expect that this agreement will have serious consequences for the Dutch rental system. This is due to the fact that, at this moment, only 76% of the Dutch social rental dwellings are allocated to households that belong to the newly defined target group. It can be envisaged that especially the middle-income groups (with an income just above the income ceiling) will get into trouble. After all, their access to the social rental sector will be limited whereas an owner-occupied dwelling is often too expensive for these households, especially in the economic core areas of the Netherlands.

However, the agreement may also have consequences for the unitary rental systems in the EU in general. It shows that the European Commission is capable of setting conditions with regard to the target group for the allocation of social rental housing. In principle, any such conditions would be at odds with the whole idea of a unitary rental system. According to Kemeny, such a system should have a large social rental sector of sufficient quality to which all households should have access. Furthermore, the 'solution' for the Dutch case is the result of a negotiated agreement between the government of the Netherlands and the European Commission. In the negotiations, the Dutch minister of housing has fought hard to give the housing associations as much elbow room as possible. It remains to be seen what the outcome will be in other countries where the organization of the social rental sector is potentially at odds with EU policy. This is an interesting area for policy-oriented international comparative research on rental systems.

Explaining preferences for homeowning and renting (Chapter 5)

In my opinion, further research on the relationship between homeownership and housing satisfaction should focus on the processes that underlie the statistical relationships that we have observed (see Subsection 8.3.3). Denmark and the Netherlands are especially interesting cases; for these countries, the results of our research did not support our hypotheses. This mismatch might be due to housing policy and housing market developments that took place in the last decades. These developments have led to a declining share and an

15 Each year, this income limit will be indexed with the development of the wages (CAO-loonontwikkeling).

increasing residualization (concentration of low-income groups) and stigmatization of the social rental sector in both countries. The fact that the Netherlands and Denmark have fiscal policies that favor homeownership above renting might also play a role here. Qualitative research in the Netherlands has indeed shown that financial benefits and the freedom to adapt your home according to your own taste are the main reasons why most Dutch people prefer an owner-occupied dwelling above a rented one (Toussaint and Elsinga, 2007, p. 182). Also Voigtländer (2009) stresses the importance of the financial treatment of homeownership. He asserts that the comparatively low German homeownership rate (43%) is mainly caused by the fact that, unlike other countries, Germany's housing policies are largely tenure-neutral. This implies that households have a real choice between buying and renting, also in financial terms[16] .

It should be noted, however, that the financial benefits of homeownership depend not only on housing policies but also on economic conditions. The current economic crisis has shown that these conditions might affect homeowners adversely. Against this background, it would be interesting to repeat the research at the present time (2010). It could well be that the rental sector has gained popularity compared to homeowning as a result of the great financial insecurity that now prevails in the latter sector. The fact that the homeowning sectors in countries such as Spain and the United Kingdom are actually declining at the moment, whereas the rental sector is growing, points in this direction.

8.5.4 Southern European welfare and housing systems (research question 3)

Welfare systems and homeownership policies

Many welfare systems favor homeownership, but the way in which their housing policies do so may vary strongly. Fiscal deductions, social homeownership dwellings, housing cooperatives, and state-subsidized housing loans are all instruments that can be used to this end, separately or in combination. As a follow-up to Chapter 6, it would be interesting to investigate more systematically whether there is a relationship between the way the welfare system is organized and the particular configuration of homeownership policies that is deployed[17]. Is it possible to distinguish different models of homeownership policies, just as one can distinguish different types of rental system?

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16 Based on this observation, one would expect few differences in housing satisfaction between tenants and homeowners in Germany (comparable to Austria). However, for reasons of data availability we could unfortunately not test this assumption on the basis of the ECHP.

17 In Chapter 2 of the thesis, this aspect has been largely left out of consideration.

Quite a bit of international comparative research has been done on home-ownership policies in general (see Boelhouwer *et al.*, 2005; Doling and Elsinga, 2006). Yet studies that explicitly link such policies to the characteristics of the welfare system are scarce, a conference paper by Poggio (2006) being a notable exception. There definitely is a gap to fill here.

Broadening research on the Spanish paradox

Future research on the Spanish paradox (a follow-up to Chapter 7) should focus on broadening the geographical scope of the analysis. To what extent is the Spanish paradox also apparent in other countries? Since we assume that the phenomenon is related to the characteristics of the Mediterranean welfare and housing systems, it seems plausible to expect similar trends in the other Mediterranean EU countries. Indeed, Hoekstra and Vakili-Zad (2006) have shown that Malta also has a high vacancy rate and rising house prices with a strong speculative component.

However, a comparable phenomenon is apparent in the liberal welfare system of Ireland too. In recent years, Irish housing production has been much higher than the increase in the number of households (Norris and Shiels, 2007). This is related to the fact that new dwellings were not only developed and/or bought for the sake of meeting the housing need of the population but also for investment reasons. On the part of the government, such behavior has been stimulated by the fiscally advantageous 'buy-to-let scheme'. Furthermore, the common practice of speculative house building (i.e., starting construction before the dwellings were sold) and the absence of a strict spatial planning system also contributed to the high housing production rate. At the same time, these very factors have also resulted in an increasing share of vacant dwellings. Dol et al. (2010, p. 27) observe that many Irish buy-to-let dwellings are not actually occupied but have remained empty, which is a clear indication of speculative tendencies. It is estimated that Ireland currently has an oversupply of about 120,000 dwellings (Dol *et al.*, 2010, p. 32). Just as in Spain, the speculative bubble on the Irish housing market has recently burst. House prices have dropped by about 20% and the number of transactions has strongly decreased. As a result of these developments, the Irish housing market has now been hit disproportionately hard by the current economic crisis.

The Irish case described above suggests that the Spanish paradox is not solely a Mediterranean phenomenon. Rather, the same situation could occur in any country where there is a preference for homeowning, a strong demand for investment in property, and relatively little state intervention in the domain of spatial planning and housing production. In any case, the collapse of the Spanish and Irish housing markets highlights the need for more detailed investigations into the relationship between the characteristics of a housing system and the vulnerability of such a system during times of eco-

nomic crisis.

Last but not least, it should be noted that Chapter 7, in which the Spanish paradox was analyzed, is rather exploratory and qualitative in nature. In order to quantify the relationships that were found, future research on this issue should also take a more quantitative and formal economic approach, possibly using modeling techniques.

8.6 Epilogue

This PhD thesis has taken a rather broad and exploratory approach. The first objective of the project was to test to what extent the divergence theories and typologies of Esping-Andersen and Kemeny offer a good framework for explaining international differences in housing policies, housing outcomes, and housing market developments. My overall conclusion is that both frameworks provide a good starting point for international comparative housing studies, particularly because there are no suitable alternatives. As this thesis has shown, there are rather large differences between the various European housing systems, which makes my choice to apply a divergence perspective a logical one. At the same time, I have observed that the explanatory power of the Esping-Andersen and Kemeny frameworks very much depends on the country and the particular housing aspects one is looking at. Furthermore, I would like to stress that the typologies should not be applied in a rigid and dogmatic manner. If possible, they should be adapted and/or fine-tuned according to the specific issue under study, just as I have done in Chapter 2 of this thesis. In my opinion, constructing typologies is not an end in itself. Rather, these are theory-inspired devices that can be used to structure and facilitate international comparative analyses. I think this thesis demonstrates that when thus used, typologies can have considerable value.

A second objective of the thesis was to test to what extent the specific features of the Southern European welfare and housing systems are also manifest in specific housing policies and housing (market) outcomes. Based on the results of this thesis, I think the answer to this question should be 'yes, but…'. My hesitation derives from the realization that more research is needed before firmer conclusions on this issue can be drawn.

Apart from providing answers to the research questions, although admittedly in a somewhat tentative way, the thesis also introduces some new theoretical notions and concepts. In Chapter 2, a conceptual framework for analyzing the welfare system, with so-called 'modern corporatism' as a new element, has been presented. The notion of the Spanish paradox, which has been developed in Chapter 7, is an addition to the existing literature as well. I hope these new concepts will form fertile grounds for further research and theory development.

Finally, this thesis has brought up many interesting new research questions; witness the extensive agendas for future research set forth in Section 8.5. I think this shows how broad and complex the subject matter is. It also suggests that international comparative research on the relationship between welfare systems and housing systems is still pretty much in its infancy. In future research, I hope to be able to answer at least some of the new research questions that were formulated on the basis of this thesis. There still is a lot of work to be done….

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Samenvatting

Divergentie in Europese verzorgingsstaten en huisvestingssystemen

Joris Hoekstra

1. Opzet van het onderzoek (hoofdstuk 1)

Het centrale thema van dit proefschrift is een internationale vergelijking van huisvestingssystemen. Een huisvestingssysteem omvat alle actoren (huishoudens, markt, overheid) die zich bezig houden met de productie, de regulering en de consumptie van huisvesting, evenals hun onderlinge relaties (Bourne, 1981). De wijze waarop het huisvestingssysteem is ingericht varieert tussen landen. In dit proefschrift wordt nagegaan in hoeverre deze verschillen samenhangen met de manier waarop de verzorgingsstaat is georganiseerd.

De dissertatie bestaat uit een inleiding (hoofdstuk 1), zes gepubliceerde artikelen (de hoofdstukken 2 t/m 7) en een concluderend hoofdstuk (hoofdstuk 8). In elk van de artikelen wordt geprobeerd om de concrete kenmerken van nationale huisvestingssystemen (beleid, eigendomsverhoudingen, woonkwaliteit, woonlasten, woontevredenheid, werking woningmarkt) te verklaren vanuit de kenmerken van de verzorgingsstaten waarin de desbetreffende huisvestingssystemen zijn ingebed. Als theoretisch kader hierbij fungeren de verzorgingsstaattheorie en –typologie van Esping-Andersen (1990) en de huursysteemtheorie en -typologie van Kemeny (1992, 1995). Beide zijn zogenaamde divergentietheorieën. Dit zijn theorieën die proberen een balans te vinden tussen generalisatie enerzijds en aandacht voor landspecifieke factoren anderzijds. Binnen de divergentietheorieën wordt vaak gebruik gemaakt van typologieën.

De verzorgingsstaattheorie en –typologie van Esping-Andersen

Volgens de verzorgingsstaattheorie van Esping-Andersen bestaan er drie typen verzorgingsstaatregimes (zie tabel 1). De verschillen tussen deze drie typen zijn historisch gegroeid en hangen samen met (de interactie tussen) de volgende factoren: de manier waarop de arbeidersklasse is gemobiliseerd, de coalities tussen de verschillende politieke partijen en de mate waarin de ontwikkeling van de verzorgingsstaat wordt gesteund door de middenklasse. Volgens Esping-Andersen zijn de verschillen tussen de drie verzorgingsstaatregimes zo structureel, dat ze ook in de toekomst zullen blijven bestaan.

Anders dan de typologie van Esping-Andersen, waarin huisvesting buiten beschouwing blijft, richt de theorie en typologie van Kemeny (1992, 1995) zich specifiek op het huisvestingssysteem. Hierbij legt Kemeny echter wel een duidelijke relatie met de verzorgingsstaat. Volgens Kemeny is er een con-

Tabel 1 De drie verzorgingsstaatregimes volgens de typologie van Esping-Andersen

	Liberaal	Sociaal-democratisch	Conservatief-corporatistisch
Decommodificatie: mate waarin de verzorgingsstaat voorziet in een acceptabele levensstandaard voor mensen die niet (kunnen) werken	Laag	Hoog	Gemiddeld
Stratificatie: mate waarin de verzorgingsstaat de verschillen tussen groepen burgers vergroot of verkleint	Verzorgingsstaat versterkt verschillen	Verzorgingsstaat verkleint verschillen	Verzorgingsstaat reproduceert bestaande statusverschillen
Doelgroep van de verzorgingsstaatvoorzieningen	Klein (vangnetfunctie)	Brede doelgroep (niet alleen lage inkomens maar ook middengroepen)	Doelgroep gefragmenteerd naar status, voorkeursbehandeling voor traditionele familie
Inkomensverdeling en armoede	Grote inkomensverschillen, relatief veel armoede	Kleine inkomensverschillen, relatief weinig armoede	Gemiddelde inkomensverschillen, gemiddeld armoedeniveau
Werkloosheid	Relatief laag	Relatief laag	Relatief hoog
Verhouding tussen staat, markt en familie	Dominante positie voor marktpartijen	Dominante positie voor de staat	Staat en markt houden elkaar redelijk in evenwicht, belangrijke positie voor de familie en voor non-profit organisaties
Landen (alleen EU-landen)	Verenigd Koninkrijk, Ierland	Denemarken, Zweden, Finland	België, Duitsland, Frankrijk, Oostenrijk, Nederland*

* De Nederlandse verzorgingsstaat is moeilijk te classificeren omdat deze zowel sociaaldemocratische als ook conservatief-corporatische kenmerken heeft.

Bron: Hoekstra, 2005; Vrooman, 2009

nectie tussen de politieke structuur en de ideologie van de verzorgingsstaat aan de ene kant, en de inrichting van het huisvestingssysteem aan de andere kant. Zo worden landen met een niet-corporatistische politieke structuur en een ideologie van individualisme en privaat initiatief (de liberale verzorgingsstaatregimes in de typologie van Esping-Andersen) gekenmerkt door een zogenaamd duaal huursysteem *(dualist rental system)*, terwijl landen met een corporatistische politieke structuur en een ideologie van collectivisme (de conservatief-corporatistische en de sociaal-democratische verzorgingsstaatregimes in de typologie van Esping-Andersen) worden gekarakteriseerd door een zogenaamd unitair huursysteem *(unitary rental system)*. De verschil-

Tabel 2 Kemeny's typologie van huursystemen

	Duaal huursysteem	Unitair huursysteem
Politieke structuur	Niet corporatistisch	Corporatistisch
Ideologie	Individueel georiënteerd, veel ruimte voor privaat initiatief	Collectief georiënteerd
Omvang van de huursector	Relatief klein	Relatief groot
Mate van competitie tussen de sociale huursector en de particuliere huursector	Geen directe competitie tussen de twee huursectoren	Directe competitie tussen de twee huursectoren
Huurniveaus	Grote verschillen in huurniveau tussen commerciële huurwoningen (relatief duur) en sociale huurwoningen (relatief goedkoop)	Relatief beperkte verschillen in huurniveau tussen commerciële huurwoningen en sociale huurwoningen
Functie van de sociale huursector	Vangnet voor de laagste inkomensgroepen	Verschaft huisvesting aan brede lagen van de bevolking
Subsidiëring en regulering	Grote verschillen tussen een sterk gesubsidieerde en gereguleerde sociale huursector en een particuliere huursector met weinig of geen subsidies en regulering	Relatief kleine verschillen in regulering en subsidiëring tussen de sociale huursector en de particuliere huursector
Landen (alleen Europese landen, gebaseerd op Kemeny 2006)	Noorwegen, België, Finland, Ierland, Italië	Oostenrijk, Zweden, Nederland, Denemarken, Zwitserland, Duitland, Frankrijk

len tussen unitaire en duale huursystemen worden veroorzaakt door verschillen in de wijze waarop de politiek reageert op de ontwikkeling van de sociale huursector: wordt de ontwikkeling van deze sector gefaciliteerd of juist belemmerd? Tabel 2 geeft inzicht in de belangrijkste verschillen tussen beide typen huursystemen. Net als Esping-Andersen verklaart ook Kemeny de verschillen tussen de typen vanuit historisch gegroeide machtsverhoudingen en coalities tussen de verschillende belangengroepen.

Toepassing van de beide theorieën en typologieën

Sinds de jaren negentig van de vorige eeuw hebben de theorieën en typologieën van Kemeny en Esping-Andersen een substantiële invloed gehad op het internationaal vergelijkend woononderzoek. Toen ik dit onderzoek startte in 2002, waren er echter nog belangrijke gaten in de kennis omtrent de toepasbaarheid en verklaringskracht van beide theorieën.

In de eerste plaats had een systematische empirische toetsing van de desbetreffende theoretische kaders op het terrein van huisvesting nog nauwelijks plaatsgevonden. Discussies over beide theorieën binnen het internationaal vergelijkend woononderzoek hadden vooral betrekking op conceptueel en theoretisch niveau, zonder dat er een koppeling werd gemaakt met concrete huisvestingsdata.

Ten tweede was het onduidelijk in hoeverre de theorieën en typologieen van Esping-Andersen en Kemeny van waarde kunnen zijn bij de analyse van de Zuid-Europese huisvestingssystemen. In de door deze auteurs ontwikkelde theoretische kaders blijven de Zuid-Europese landen namelijk buiten beschouwing. Verschillende onderzoekers (Barlow en Duncan, 1994; Ferrara, 1996) hebben op deze omissie gereageerd door een Mediterraan verzorgings-

staatregime te ontwikkelen. Het Mediterrane verzorgingsstaatregime vertoont veel kenmerken van het conservatief-corporatische verzorgingsstaatregime. Het belangrijke verschil is dat de verzorgingsstaat minder sterk ontwikkeld is en dat de rol van de familie nog groter is. Allen *et al.* (2004) hebben het Mediterrane verzorgingsstaatregime 'vertaald' naar een Mediterraan huisvestingsregime. Naar de specifieke huisvestingskenmerken (woonbeleid, huisvestingsuitkomsten, functioneren van de woningmarkt) van dit Mediterrane huisvestingsregime is echter nog nauwelijks onderzoek gedaan.

Het is de ambitie van deze dissertatie om een bijdrage te leveren aan het vullen van de bovenstaande 'gaten'. In dit kader zijn de volgende drie onderzoeksvragen geformuleerd.

1. In welke mate biedt de theorie en typologie van Esping-Andersen een goed kader voor het analyseren en verklaren van de kenmerken en de ontwikkeling van het woonbeleid? Zijn er aanpassingen denkbaar die de verklaringskracht van dit theoretisch kader kunnen vergroten?

2. In welke mate bieden de theorieën en typologieën van Esping-Andersen en Kemeny een goede verklaring voor de verschillen tussen landen met betrekking tot meetbare huisvestingsvariabelen (eigendomsverhouding, woningtype, woningkwaliteit, kenmerken van huurders, huurniveaus, woontevredenheid)?

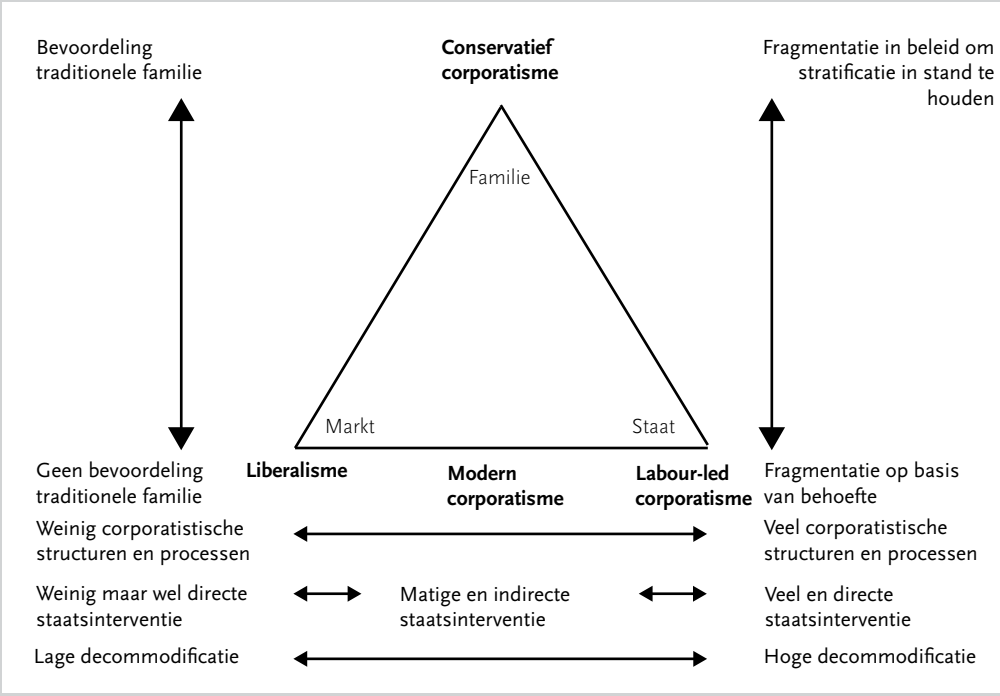
3. Hoe komen de kenmerken van de Mediterrane verzorgingsstaten en huisvestingssystemen tot uitdrukking in het woonbeleid, de huisvestingsuitkomsten en het functioneren van de woningmarkt?

2. Onderzoeksresultaten (hoofdstukken 2 t/m 7)

2.1 De theorie en typologie van Esping-Andersen als verklarend kader voor de analyse van het woonbeleid (onderzoeksvraag 1)

Van verzorgingsstaatregime naar regime van woonbeleid (hoofdstuk 2)
In hoofdstuk 2 van dit proefschrift zijn de drie verzorgingsstaatregimes van Esping-Andersen deductief 'vertaald' naar drie regimes van woonbeleid. Vervolgens is deze woonbeleidstypologie gebruikt om de veranderingen in het Nederlandse woonbeleid tussen 1980 en 2000 te interpreteren (zie tabel 3). Hierbij is geconcludeerd dat het Nederlandse volkshuisvestingssysteem in de jaren tachtig zowel sociaal-democratische als ook corporatistische trekken had, terwijl in de jaren negentig de corporatistische kenmerken dominant waren. Op zichzelf is dit een plausibel resultaat, omdat ook de Nederlandse verzorgings-

Figuur 1 Een nieuw conceptueel model voor het analyseren van de verzorgingsstaat



staat zowel sociaal-democratische als corporatistische kenmerken heeft.

Niettemin is er één aspect van de typologie van Esping-Andersen dat minder goed toepasbaar is. Hoewel het Nederlandse woonbeleid in de jaren negentig veel corporatistische karakteristieken had – het beleid werd ontwikkeld in samenwerking tussen de centrale overheid, lokale overheden en het maatschappelijk middenveld (woningcorporaties) - was het zeker niet conservatief. Er was binnen de Nederlandse woonsector geen sprake van een expliciete bevoordeling van de traditionele familie en/of van gefragmenteerd sociaal beleid dat tot doel heeft om de bestaande statusverschillen in de maatschappij in stand te houden.

Ik heb de term 'modern corporatisme' gebruikt om het Nederlandse woonbeleid in de jaren negentig te typeren. Door dit concept te combineren met Kemeny's ideeën over corporatisme (volgens Kemeny is Esping-Andersens sociaal-democratische verzorgingsstaatregime in feite ook corporatistisch: *labour-led corporatism*), heb ik uiteindelijk een nieuw conceptueel model voor het analyseren van de verzorgingsstaat ontwikkeld (zie figuur 1). Nader onderzoek zal moeten uitwijzen in hoeverre dit model ook van waarde is voor andere beleidsterreinen dan de volkshuisvesting, en voor andere landen dan Nederland.

Mijn woonbeleidstypologie is ook toegepast op België (Hoekstra en Reitsma, 2002) en Noorwegen (Stamsø, 2008). Net als voor Nederland bleek er ook voor deze landen geen één op één relatie te bestaan tussen de kenmerken van de verzorgingsstaat en de kenmerken van het huisvestingssysteem. In België is

de verzorgingsstaat conservatief-corporatisch terwijl het woonbeleid zowel conservatief-corporatistische als ook liberale elementen bevat. In het sociaal-democratische Noorwegen was het woonbeleid in oorsprong sociaal-democratisch maar heeft het in de loop der tijd steeds meer liberale trekken gekregen.

De geconstateerde discrepanties tussen de kenmerken van de verzorgingsstaat en de kenmerken van het woonbeleid hangen mogelijk samen het feit dat de functies van het woonbeleid deels overlappen met de functies van de andere domeinen van de verzorgingsstaat (sociale zekerheid, zorg, onderwijs), zeker waar het gaat om inkomensondersteuning. Enerzijds kan het woonbeleid de uitkomsten van de overige domeinen van de verzorgingsstaat verzachten (in dat geval is de decommodificatie in het woonbeleid dus sterker dan de decommodificatie in de overige domeinen van de verzorgingsstaat). Anderzijds kunnen de overige domeinen van de verzorgingsstaat zo sterk ontwikkeld zijn dat de noodzaak om een uitgebeid woonbeleid te voeren minder groot is (in dat geval is de decommodificatie in het woonbeleid minder sterk dan de decommodificatie in de overige domeinen van de verzorgingsstaat). Om dergelijke samenhangen beter in kaart te kunnen brengen, is het van belang dat er in toekomstig onderzoek meer aandacht wordt besteed aan de wijze waarop het woonbeleid is ingebed in de bredere context van de verzorgingsstaat.

2.2 Divergentietheorieën en meetbare huisvestingsuitkomsten (onderzoeksvraag 2)

Het proefschrift bevat drie hoofdstukken waarin de typologieën van Esping-Andersen en Kemeny worden gerelateerd aan meetbare huisvestingsuitkomsten.

Van verzorgingsstaatregime naar woningtype (Hoofdstuk 3)
In hoofdstuk drie van het proefschrift wordt onderzocht of er een relatie bestaat tussen de kenmerken van de verzorgingsstaat en de rol van de verschillende woningtypen binnen een maatschappij. Met behulp van een Europees databestand (European Community Household Panel) ben ik nagegaan in hoeverre het aandeel, de eigendomsverhouding, de kwaliteit en de waardering van appartementen ten opzichte van eengezinswoningen verschilt tussen vier typen verzorgingsstaten (sociaal-democratisch, conservatief-corporatistisch, liberaal, Mediterraan). Uit deze analyse komt naar voren dat het Mediterrane verzorgingsstaatregime wat dit betreft op een aantal punten afwijkt van de overige drie typen verzorgingsstaten:

- In het Mediterrane verzorgingsstaatregime zijn de meeste appartementen koopwoningen. In de andere drie verzorgingsstaatsregimes bevinden de appartementen zich daarentegen overwegend in de huursector.

Tabel 3 Verwachte verschillen tussen unitaire en duale huursystemen: vier hypothesen

	Unitair huursysteem	Duaal huursysteem
1. Aandeel van de koopsector	Relatief klein	Relatief groot
2. Woningkwaliteit	Relatief kleine verschillen in woningkwaliteit tussen de koopsector en de sociale huursector	Relatief grote verschillen in woningkwaliteit tussen de koopsector en de sociale huursector
3. Inkomens van huurders	Relatief beperkte residualisatie (concentratie van lage inkomensgroepen) in de sociale huursector	Relatief sterke residualisatie (concentratie van lage inkomensgroepen) in de sociale huursector
4. Huurniveaus, gecorrigeerd voor woningkwaliteit	Kleine verschillen tussen sociale huurwoningen en commerciële huurwoningen	Grote verschillen tussen sociale huurwoningen en commerciële huurwoningen
Landen	Nederland, Denemarken, Oostenrijk	Verenigd Koninkrijk, Ierland, België

- In het Mediterrane verzorgingsstaatregime zijn appartementen gemiddeld in een betere staat dan eengezinswoningen, terwijl dit niet het geval is (het is meestal juist andersom) in de andere drie verzorgingsstaatregimes.
- In het Mediterrane verzorgingsstaatregime zijn er slechts beperkte verschillen in gemiddeld kamertal tussen appartementen en eengezinswoningen. In de andere drie verzorgingsstaatregimes hebben appartementen gemiddeld genomen duidelijk minder kamers dan eengezinswoningen.
- In het Mediterrane verzorgingsstaatregime bestaan er geen duidelijke verschillen in woonsatisfactie tussen bewoners van een appartement en bewoners van een eengezinswoning. In de overige drie verzorgingsstaatsregimes zijn bewoners van een eengezinswoning duidelijk meer tevreden over hun woonsituatie dan bewoners van een appartement.

Mijn hypothese is dat de hierboven beschreven uitzonderingspositie voor het Mediterrane verzorgingsstaatregime kan worden verklaard vanuit een aantal specifieke kenmerken van de Mediterrane landen: een belangrijke rol voor de familie bij het verschaffen van verzorgingsstaatvoorzieningen, relatief weinig suburbanisatie, een intensief gebruik van de publieke ruimte, een sterk op eigenwoningbezit gerichte cultuur, een slecht ontwikkelde sociale huursector en een relatief warm klimaat. Om deze hypothese te kunnen toetsen is verder onderzoek noodzakelijk.

Unitaire en duale huursystemen (Hoofdstuk 4)

In hoofdstuk vier van het proefschrift is getoetst in hoeverre Kemeny's huursysteemtypologie wordt onderbouwd door empirische huisvestingsdata. Hiertoe is de typologie uitgewerkt naar vier meetbare hypothesen (zie tabel 3) die zijn getoetst met behulp van data van het European Community Household Panel. De volgende zes Europese landen zijn geïncorporeerd in de analyse: Nederland, Denemarken, Oostenrijk, Verenigd Koninkrijk, Ierland en België. Volgens Kemeny (2006) hebben de eerste drie landen unitaire huursystemen, terwijl de huursystemen in de laatste drie landen als duaal te classificeren zijn.

Tabel 4 De relatie tussen eigenwoningbezit en woontevredenheid in drie typen landen

	Duale huursystemen	Unitaire huursystemen	Mediterraan verzorgingsstaatregime
Samenvatting theorie	'Natuurlijke' voorkeur voor eigenwoningbezit, eigenwoningbezit zorgt voor zekerheid, vrijheid en financieel voordeel. De huursector is een minderwaardige en gestigmatiseerde eigendomssector.	De huursector heeft een flinke omvang en biedt goede kwaliteit, betaalbare huurprijzen, en voldoende huurbescherming. Als gevolg hiervan is huren een goed alternatief voor eigenwoningbezit voor een groot deel van de bevolking.	Eigenwoningbezit maakt deel uit van een familietraditie en is de geprefereerde eigendomsverhouding. De sociale huursector is slecht ontwikkeld.
Hypothese	Eigenaar-bewoners zijn meer tevreden over hun huisvestingssituatie dan huurders.	Eigenaar-bewoners zijn niet meer tevreden over hun huisvestingssituatie dan huurders.	Eigenaar-bewoners zijn meer tevreden over hun huisvestingssituatie dan huurders.
Geselecteerde landen	Verenigd Koninkrijk, Ierland	Oostenrijk, Nederland, Denemarken	Spanje, Italië, Griekenland

Uit de verrichtte analyse is gebleken dat de hypothesen in redelijke mate worden ondersteund door de empirische data. Met andere woorden, Kemeny's huursysteemtypologie lijkt goed te kloppen (in ieder geval voor wat betreft de in de analyse opgenomen landen). Dit betekent echter niet noodzakelijkerwijs dat de theorie die aan deze typologie ten grondslag ligt ook juist is. Om deze theorie volledig te kunnen toetsen, moet men niet alleen kijken naar de huisvestingsuitkomsten, maar ook naar de politieke en economische processen die aan deze huisvestingsuitkomsten ten grondslag liggen.

Eigenwoningbezit en woonsatisfactie (Hoofdstuk 5)

Hoofdstuk vijf van het proefschrift onderzoekt de relatie tussen eigendomsverhouding en woonsatisfactie. Hierbij worden drie typen landen onderscheiden, waarbij voor elk type een hypothese is geformuleerd (zie tabel 4). De hypothesen zijn getoetst met behulp van een multiple regressieanalyse op data van het European Community Household Panel. De te verklaren variabele was de woontevredenheid, terwijl de eigendomsverhouding, de woningkwaliteit, de huishoudenskenmerken en de woonkosten als verklarende variabelen fungeerden.

In de duale huursystemen en het Mediterrane verzorgingsstaatregime bleek de eigendomsverhouding een autonome invloed op de woonsatisfactie te hebben, waarbij eigenaarbewoners meer tevreden over hun woonsituatie zijn dan huurders. Voor deze typen landen werd de geformuleerde hypothese dus geconfirmeerd door de analyseresultaten.

Voor de unitaire huursystemen was het beeld meer gemengd. In Oostenrijk bleek de eigendomsverhouding geen autonome invloed te hebben op de woontevredenheid, wat in overeenstemming is met de geformuleerde hypothese. In de unitaire huursystemen van Nederland en Denemarken bleken eigenaarbewoners echter meer tevreden over hun woonsituatie dan huurders. Mogelijk heeft dit te maken met recente ontwikkelingen op de woning-

markt en in het woonbeleid in deze landen, die ervoor hebben gezorgd dat de sociale huursector in toenemende mate geresidualiseerd en gestigmatiseerd is geraakt. Het feit dat beide landen een fiscaal beleid kennen waarbij eigenwoningbezit wordt bevoordeeld ten opzichte van huren speelt mogelijk eveneens een rol, evenals de systematische verschillen in woningkenmerken tussen huurwoningen en koopwoningen.

2.3 Mediterrane verzorgingsstaten en huisvestingssystemen (onderzoeksvraag 3)

Het proefschrift bevat twee artikelen waarin wordt nagegaan of de specifieke kenmerken van de Mediterrane verzorgingsstaten zich ook manifesteren in specifieke huisvestingsuitkomsten. In het eerste artikel (hoofdstuk 6 van het proefschrift) ligt de nadruk op de beleidsmatige aspecten, waarna het tweede artikel (hoofdstuk 7 van het proefschrift) aandacht besteedt aan de werking van de woningmarkt. Beide artikelen gaan in op de situatie in Spanje.

Spaans woonbeleid: een gesubsidieerde koopsector (Hoofdstuk 6)
In Spanje wordt het overgrote deel van de sociale huisvesting gerealiseerd in de koopsector in plaats van in de huursector. Spaanse gesubsidieerde koopwoningen richten zich op de lagere en middeninkomensgroepen en worden aangeboden door zowel publieke als private ontwikkelaars. De productie van de gesubsidieerde koopwoningen wordt gecoördineerd door een complex financieringssysteem, waarin zowel bouwende partijen als ook huizenkopers financiële steun van de overheid kunnen ontvangen. In ruil voor deze steun moeten de woningen worden aangeboden tegen prijzen die veel lager zijn dan het marktniveau. Het gevolg hiervan is dat de vraag naar gesubsidieerde koopwoningen in de regel veel groter is dan het aanbod. Daarom worden dergelijke woningen vaak toegewezen met behulp van een loterij.

Spaanse gesubsidieerde koopwoningen houden hun speciale status meestal voor een periode van 20 tot 30 jaar (de zogenaamde kwalificatieperiode). Gedurende deze periode mogen de woningen alleen worden doorverkocht tegen door de overheid vastgestelde prijzen, zodat speculatie kan worden voorkomen. Nadat de kwalificatieperiode is verstreken, zijn de woningen weer 'normale' koopwoningen en kunnen ze tegen marktprijzen worden verkocht.

Recent hebben enkele Spaanse regio's echter besloten om de kwalificatieperiode veel langer te maken dan voorheen het geval was (bijvoorbeeld 90 jaar). In de autonome regio Baskenland is zelfs gekozen voor een permanente kwalificatieperiode. Door deze ontwikkelingen verandert de Spaanse gesubsidieerde koopsector van een tijdelijke in een permanente specifieke eigendomscategorie. Deze ontwikkeling kan leiden tot een segmentering van de woningmarkt en een verdere vermindering van de nu al lage verhuismobiliteit in Spanje.

Mijn veronderstelling is dat de wijze waarop het Spaanse beleid ten opzichte van de gesubsidieerde koopsector is vormgegeven samenhangt met de specifieke karakteristieken van de Mediterrane verzorgingsstaten (voorkeur voor eigenwoningbezit, betaalbaarheidsproblemen voor lage en middeninkomensgroepen). Om deze veronderstelling te kunnen toetsen is meer systematisch internationaal vergelijkend onderzoek naar de relatie tussen de kenmerken van de verzorgingsstaat enerzijds, en de vormgeving van het beleid ten aanzien van koopsector anderzijds, noodzakelijk.

De Spaanse woningmarkt: veel leegstand en stijgende huizenprijzen (Hoofdstuk 7)

Het startpunt voor hoofdstuk 7 van het proefschrift was een observatie van mijn collega Cyrus Vakili-Zad, die vaststelde dat verschillende Zuid-Europese landen worden gekenmerkt door zowel een hoog leegstandscijfer als ook door stijgende huizenprijzen, hetgeen in strijd is met de gangbare economische theorie. We besloten om dit fenomeen nader te onderzoeken aan de hand van de Spaanse casus.

In Spanje is er geen relatie tussen het leegstandscijfer en de huizenprijsontwikkeling; een verschijnsel dat we hebben aangeduid met de term 'Spaanse paradox'. De Spaanse paradox is niet alleen van toepassing op het nationale schaalniveau, maar speelt ook op provinciaal en gemeentelijk niveau. Volgens ons wordt de Spaanse paradox veroorzaakt doordat veel Spaanse leegstaande woningen niet beschikbaar zijn voor de woningmarkt. Dit kan worden verklaard uit de volgende vier factoren, die specifiek zijn voor het Spaanse huisvestingssysteem:

- De groei van de woningvoorraad is de afgelopen decennia veel groter geweest dan de groei van het aantal huishoudens. Dit komt doordat veel woningen zijn gekocht vanuit investeringsmotieven. Woningen die als investering zijn gekocht staan dikwijls leeg – zonder dat ze te koop worden aangeboden – omdat verhuur als een te groot risico wordt gezien als gevolg van de strikte huurbescherming.
- De sterke trek van het platteland naar de stad heeft geresulteerd in veel leegstaande woningen in dorpen in het landelijk gebied. Dikwijls worden deze woningen niet aangeboden op de woningmarkt, omdat de eigenaren ze niet willen verkopen omwille van sentimentele en/of nostalgische redenen.
- Woningen zijn dikwijls familiebezit. Leegstaande woningen die in het bezit zijn van de familie worden vaak niet te koop of te huur aangeboden, omdat familieleden ze op een later tijdstip weer nodig kunnen hebben.
- Het tweedewoningbezit is sterk gestegen. Hoewel tweede woningen niet tellen als leegstaande woningen is de grens tussen beide in de praktijk niet altijd even makkelijk te trekken.

Onze conclusie is dat de specifieke kenmerken van het Spaanse huisvestingssysteem zorgen voor relatief veel leegstaande woningen, maar dat deze zelfde kenmerken er eveneens voor zorgen dat een belangrijk deel van deze woningen niet wordt aangeboden op de woningmarkt. Oftewel: een hoog leegstandscijfer is niet per se synoniem aan een groot aanbod van woningen. Dit verklaart waarom er op de Spaanse woningmarkt geen duidelijke relatie bestaat tussen de omvang van de leegstand en de huisprijsontwikkeling. Verder onderzoek zal moeten uitwijzen of dit verschijnsel specifiek is voor Spanje, of dat het ook opgeld doet in andere Mediterrane verzorgingsstaten (en mogelijk ook in bepaalde liberale landen zoals Ierland).

3. Eindconclusie

Dit proefschrift kenmerkt zich door een brede en verkennende benadering. Het project had twee hoofddoelstellingen. Het eerste doel was om na te gaan in hoeverre de theorieën en typologieën van Esping-Andersen en Kemeny een goed kader bieden voor het verklaren van internationale verschillen in woonbeleid, huisvestingsuitkomsten en woningmarktontwikkelingen (onderzoeksvragen 1 en 2). Het antwoord op deze vraag is genuanceerd. Eén en ander hangt in sterke mate af van de landen en de aspecten die in de beschouwing worden betrokken. Niettemin stel ik vast dat zowel Esping-Andersens als ook Kemenys typologie een goed startpunt vormen voor internationaal vergelijkend woononderzoek, al is het maar omdat er vooralsnog geen geschikte alternatieve theoretische kaders beschikbaar zijn.

Wel benadruk ik dat de typologieën niet op een rigide en dogmatische manier toegepast moeten worden. Ze zouden zoveel mogelijk afgestemd of aangepast moeten worden op/aan het onderwerp van studie, net zoals gebeurd is in hoofdstuk 2 van dit proefschrift. Naar mijn mening moeten typologieën vooreerst worden gezien als theoretische onderbouwde handvatten die gebruikt kunnen worden om internationaal vergelijkend onderzoek te structureren en te faciliteren. Wanneer ze op deze manier worden toegepast, kunnen ze een aanzienlijke toegevoegde waarde hebben, zoals dit proefschrift heeft laten zien.

Het tweede doel van dit proefschrift (onderzoeksvraag 3) was om na te gaan in hoeverre de specifieke kenmerken van de Mediterrane verzorgingsstaten ook tot uitdrukking komen in specifieke karakteristieken voor wat betreft woonbeleid, huisvestingsuitkomsten en woningmarktontwikkelingen. De resultaten van dit onderzoek suggereren dat dit inderdaad het geval is. Om stevigere conclusies te kunnen trekken is echter meer onderzoek nodig, waarbij niet alleen gekeken wordt naar Spanje maar ook naar andere Mediterrane landen.

In dit proefschrift wordt niet alleen getracht om antwoord te geven op de geformuleerde onderzoeksvragen, maar worden eveneens enkele nieuwe the-

oretische noties en concepten geïntroduceerd. Zo is in hoofdstuk 2 een conceptueel kader voor het analyseren van de verzorgingsstaat gepresenteerd, met het zogenaamde moderne corporatisme als nieuw element hierin. Ook de notie van de Spaanse paradox, en de koppeling van dit verschijnsel aan de kenmerken van het Mediterrane verzorgingsstaatregime (hoofdstuk 7 van dit proefschrift), vormt een aanvulling op de bestaande literatuur. Ik hoop dat deze nieuwe concepten een goede basis zullen vormen voor verder onderzoek en voor verdere theorieontwikkeling.

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Curriculum vitae

Joris Hoekstra was born in Utrecht on May 29, 1973. He attended elementary and secondary school in Bilthoven, where he obtained his VWO diploma from 'Het Nieuwe Lyceum' in 1991. Joris studied human geography at Utrecht University and graduated in 1996. His master's thesis was on regional development in the French Midi-Pyrenees region; while collecting the data, he studied in Toulouse for half a year (1995).

In 1997, Joris did housing market research for Quintis, a consultancy company. At the beginning of 1998, he joined the OTB Research Institute for the Built Environment, where he started to carry out research in the field of housing preferences, housing policy, and housing systems. From 2002 onward, he has combined contract research at OTB with his PhD project. Between 2006 and 2008, Joris also worked three days a week as a senior policy advisor for the Dutch Council on Housing, Spatial Planning and the Environment (VROM-raad). While there, he contributed to the advisory reports Tijd voor keuzes, Brussels lof, and Wonen in ruimte en tijd.

Joris has been very active in the field of international academic publishing in the capacities of author and editor. From 2001 to 2005, he was in charge of the editorial office for the Journal of Housing and the Built Environment. In 2010, he rejoined this journal, now not only as head of the editorial office but also as an editor.

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This book explores the relationship between the characteristics of the welfare state and the characteristics of the housing system (housing policies, housing outcomes and housing market developments) in different European countries. It consists of a theoretical framework, six published articles and a concluding chapter. All six articles use the welfare state regime theory and typology of Esping-Andersen, the housing system typology of Kemeny or both, or at least some aspects of these, as an explanatory framework.

The results of the investigations indicate that there are considerable differences between the various European housing systems. As far as this is concerned, especially the Southern European countries occupy a rather distinct position. For this reason, two articles in the study specifically focus on the Southern European housing system of Spain. The book is relevant for both academics and policy-makers who are interested in international housing and housing policy developments.

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