

Housing and Welfare Regimes

Mark Stephens
Director
The Urban Institute
Scotland

*Urban and Housing Systems under Pressure: Varieties of Responses,
Metropolitan Research Institute 30th Anniversary Conference, Budapest, 27-
29 September 2019*

Welfare regimes – what are they?

“... a particular constellation of social, political and economic arrangements which tend to nurture a particular welfare system.” (Taylor-Gooby, 1996)

*“... different regimes derive from different power structures and constellations of class-derived power relationships. The three **regimes** are social democratic, corporatist and liberal. These, in turn, generate **welfare systems** that can be called *decommodified, conservative and residual, receptively.*”
(Kemeny, 2001)*

Causes of regimes

- Esping-Andersen: balance of power between capital and labour
- Kemeny: more emphasis on how these are mediated through (corporatist) institutions.
- Strong ideological component in each, which found expression in political parties.

Middle range theories

- Rejection of low level description (no explanatory power)
- Rejection of “*grand*” theories – e.g. Marxism; or “*neoliberalism*”
- “...a more qualitative, culturally sensitive and historically grounded approach” (Kemeny & Lowe 1998) → “*policy constructivism*” (Kemeny, 1995)

Welfare and housing regimes

- **“Read across”** roles of state/market/ family from Esping-Andersen to housing and adapt outcomes according to decommodification and stratification.
- Treat housing as a **“sector regime”** with own framework (Kemeny,, 2006)
- **“housing welfare regime”** approach (Stephens 2016; Blackwell & Kohl, 2018).
 - e.g.use **“wider welfare regime”** as setting the **“boundaries of possibility”** for housing regime (Stephens, 2019)

Purpose of welfare regimes

Uses

- Explanatory
- Empirically-founded (cf ideal type)

Abuses

- *“mindless classification”*
(Kemeny, 2001)
- *“irrelevant and useless”*
(Aalbers, 2016)

Example of application

“...welfare regimes create welfare systems with essential distributional tendencies.”

(Stephens & Van Steen, 2011)

“Does the housing system amplify, diminish or merely replicate the poverty produced by the welfare system alone?”

(Stephens & Van Steen, 2011)

Challenges to housing/ welfare regimes

- Financialisation: Aalbers' (2016) "*wall of money*"; soft convergence; non-theoretical.
- Varieties of Residential Capitalism (VORC) (Schwartz & Seabrooke, 2008) attempt to bring financialisation within regime framework
 - Benchmarking problems
 - Categorical, not explanatory

Geographic portability

- Kemeny applied to “*fairly unique*” circumstances (place + time)
- Stephens, Lux & Sunega (2016) on former-socialist countries:
 - “housing welfare regimes by default”
 - “*There remains no settled collective ideology to produce the kind of stable power structures that gave rise to the western welfare regimes.*”

Regime change: crisis, but which crisis?

- UK, Sweden, Germany:
 - Change due to response to economic crisis/failure.
 - Reforms to “wider welfare regime”
 - Key characteristics of traditional regimes disappear.
 - Poverty levels converge at higher level.
 - Narrow boundaries of possibilities housing regime.
 - Housing choices become more acute

Breakdown of Swedish unitary system

- Failure of subsidy-maturation nexus: supply breaks down → shortage
- Emergence of informal markets
- Bifurcation of cost rental market (not a convergence story)
- Young households “forced” (Lind, 2014) into mortgaged owner occupation
- Sweden becomes a country of mortgaged owners with mortgaged ownership among poor at UK levels.

Broadening regime approach

- Confirms importance of link between housing and wider welfare regime
- Need to broaden to incorporate forces of convergence, e.g. financialisation + modern monetary policy (QE)
- Look down to (broadly defined) institutional detail (including cultural preferences) that help to explain divergence

Beyond Mindful Classification

If the power structures and ideological preferences that gave rise to clear liberal, corporatist and social democratic regimes, and these have now disappeared.... where is the causality?