1. Why housing wealth and welfare?

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INTRODUCTION

The relationship between housing and wealth lies at the heart of contemporary forms of capitalism, especially its global, neoliberal incarnation (see, for example, Harvey, 2005). Residential property has increasingly become a target of global capital, but at the same time remains the primary container of household and family wealth. Indeed, global residential real estate is currently estimated to be worth approximately US$136 trillion, equivalent to around 60 per cent of global mainstream assets (Savills, 2016). At the same time, the distribution of housing wealth has undergone important transformations in recent decades. Until recently, the proportion of home owners has been expanding with, for example, more than 70 per cent home ownership across the European Union (EU) (Eurostat, 2015), up from average rates of less than 50 per cent in the 1960s (Doling and Ford, 2007). Initially, most home buyers accrued some form of housing equity along with sector growth, with housing largely functioning as a wealth equalizer. In recent decades, however, relative property value increases have become particularly uneven across income groups and social classes, age cohorts and geographic regions (for example, Hamnett, 1999; Wind et al., 2016), especially in the years leading up to and following the Global Financial Crisis (GFC). Economic shifts have furthermore altered meanings, preferences and practices surrounding housing, with the home increasingly understood as a commodity and subjugated to market over broader social interests.

The relationship between housing wealth and welfare has been less obvious (yet equally central) to social relations in capitalist economies. Traditional conceptions of housing and welfare focus on either the welfare state – in particular as a provider of shelter for vulnerable or low-income households through social rental housing (for example, Harloe, 1995) – or, more implicitly, on the promotion of (outright) home ownership as an effective 'pension in stone', reducing housing costs in old age (Kemeny, 1981; Castles, 1998). However, since the end of the last century it has become increasingly obvious that a broader conception of this relationship is necessary. Indeed, whereas housing was once considered the 'wobbly' pillar under the welfare state (Torgersen, 1987) and mostly ignored in comparative welfare regime and stratification research, there has been a growing realization that transformations in housing markets and assets have underpinned important shifts in wealth and welfare relations. These shifts necessitate a better understanding of the connections between housing and welfare as well as of variegation across institutional contexts. Such is the ambition of this text, which aims to reflect new light on past and present debates, identify new developments and develop conceptual tools for future research.

Specifically, in many contexts, the housing equity held by owner-occupiers has been eyed by governments and policy makers as not merely an enhancement of, but integral to, welfare self-provision across the life course and a means to compensate for diminishing public provision more generally (Malpass, 2008; Watson, 2010; Lowe et al., 2011). In a context of expansion in owner-occupation and house price inflation, households have also been increasingly orientated around their housing wealth as a means to boost their consumption and take care of their own welfare needs (Smith et al., 2009; Doling and Ronald, 2010; Wood et al., 2013). At the same time, however, growing dependency on property values and house price increases has created enormous vulnerability to economic fluctuations – as demonstrated by the GFC – and stimulated significant indebtedness and potential for inequality (Stephens, 2007; Schwartz and Seabrooke, 2008; Kennett et al., 2013; Rolnik, 2013). The central concerns of this book are, therefore, the emerging links between housing wealth and welfare practices and how they have been shaped in and by different social and economic settings. Each chapter questions in various ways how housing wealth has become so entangled with welfare conditions and in many cases has become a feature of socioeconomic inequality.

While traditional studies of welfare states and social stratification focus on income, employment and other kinds of assets, this volume shifts attention to housing wealth as a critical axis of social, economic and welfare practices in the twenty-first century. This introductory chapter establishes crucial historic junctions and processes, as well as the literature that has emerged to explain recent social, economic and political realignments around housing wealth. We ask why home ownership and property assets have become so prominent and explore the various links between housing and welfare. In doing so, this chapter provides an analytical lens for the nine substantive chapters and epilogue that follow.

We begin by considering how the owner-occupied home has been appropriated as a commodity in recent decades, with the function of shelter giving way to other meanings and uses, such as security, investment, asset accumulation, speculation and so on. We also address processes of financialization that preceded and eventually culminated in the GFC, as well as how housing markets and property accumulation practices have since reasserted themselves. Our attention subsequently turns to the welfare role of housing property, moving away from traditional policy conceptions of housing as a service towards an understanding of household property equity as a source of wealth and income; that is, 'asset-based welfare'. Regardless of historic levels of marketization and deregulation, as this volume demonstrates, such conceptions and practices have been evident across economically liberal, corporatist and social-democratic societies alike in recent decades, serving to support welfare state retrenchment and the shift in responsibilities toward the market. Increasingly – and in an increasing diversity of countries – un-mortgaged home ownership has come to represent a particular kind of asset: a means of investment in an otherwise uncertain economic climate; a household asset enabling households and families to redistribute resources as a means of mitigating new insecurities and inequalities; a resource that can be tapped in support of welfare or consumption needs that arise over the life course. Ultimately we address the implications of a growing welfare emphasis on housing wealth and assets – and in particular how this has restructured the potential for socioeconomic inequalities in different countries. The final section of this chapter turns to the structure of the book and the various contributions ahead.

HOUSING WEALTH

From Housing Services to Housing Commodities

In the postwar years, housing in the industrialized world, especially in cities, was primarily rented and not a particularly attractive commercial investment (see Harloe, 1995). Housing shortages had also become a specific concern of nation states in the context of war damage to residential infrastructure, booming birth rates and ongoing decline in the private rental sector. In Western Europe, governments responded in a variety of ways, with the United Kingdom (UK), France, Germany, the Netherlands and Sweden, for example, deeply expanding public or social rental housing provision. The Keynesian model of public demand management provided workers with security through social policies, which in many countries often took the form of subsidized housing construction that also contributed to the growth of the economy. Owner-occupied housing also supported rebuilding and growth efforts, often with the assistance of government incentives and tax subsidies (Fahey and Norris, 2010). However, the oil crisis of 1973 and its economic consequences, combined with the transition to a more post-industrial service-led economy, exposed the limits to the growth of social policy and state-driven housing supply.

In the meantime, appetites for privately consumed housing had deepened, in part as an achievement of postwar affluence, while the role of markets in welfare service provision was enhanced (Spicker, 2014; Birch and Siemiatycki, 2015). In the UK and Ireland, for example, governments started to scale down social housing in the 1980s through 'right-to-buy' schemes (for example, Forrest and Murie, 1988), and reduced new social housing provision, instead catering for low-income households through a wider range of public, non-profit and private intermediaries. 'Bricks and mortar' subsidies were replaced by demand (and increasingly means-tested) subsidies, with private landlords housing an increasing number of low-income households on housing allowances. Similar transfers of state–market responsibilities were later adopted in other Western European economies, such as Sweden (for example, Turner and Whitehead, 2002; Holmqvist and Magnusson Turner, 2014) and the Netherlands (for example, Priemus and Dieleman, 2002; Elsinga et al., 2008), as the logic of marketization began to take hold. Housing was a particularly vulnerable element of social policy and, unlike most other social services, markets remained influential to the provision and allocation of housing, with policies often correcting rather than replacing the market in ensuring broader access to decent and affordable housing (Bengtsson, 2001, 2012). At the same time, the growing, state-directed commodification of housing helped legitimize marketization in other areas of social provision and the broader undermining of the postwar welfare state (Forrest and Murie, 1988). In the 1990s, mass housing privatization also became critical to the overall restructuring of post-socialist Eastern European economies (see Mandič and Mrzel; Soaita; Zavisca and Gerber, this volume) and, after 1998, in the accelerated transition of China toward an urban, market-driven economy (Wu, 2015). In the EU, meanwhile, by the end of the century almost two-thirds of households were owner-occupying property owners (Doling and Ford, 2007).

The shift in policy from housing as a service to housing as a commodity typically marked a golden era in the expansion of housing markets and owner-occupancy rates. Market stimulation also contributed to the spread of household assets in the form of owner-occupied housing equity in an increasingly diverse range of societies. Housing and home ownership thus began to move from the periphery to the centre of economic policy, helping reposition the state, the market and individual households around the potential value – real and imagined – in the homes that most people, by that time, more or less owned.

Housing Financialization

Forrest and Hirayama (2015) describe a shift from a 'social' home ownership project, in which governments sought to expand private consumption of owner-occupied housing as a compensation for the deeper liberalization of the economy, to a more financialized 'neoliberal' project, in which profitmaking is central. In the case of the former, the aforementioned expansion of mortgaged owner-occupation and augmentation of housing assets were assumed to both integrate households into the market and provide an economic buffer. In terms of the latter, the increasing focus on and value of property aligned with the global expansion of credit and lending, as well as with the integration of housing and mortgage markets within a global neoliberal framework of rent seeking and wealth accumulation. Indeed, Schwartz and Seabrooke (2008, p. 210) identify a commensurable shift from an era in which housing assets were essentially 'inert, immobile and illiquid' to one in which homes became 'live, cashable and liquid'. Despite policy and rhetoric that sought to advance the tenure as a means to spread the distribution of assets security and social equity (Ronald, 2008) – and along with increasing flows of finance into the sector and escalating house prices – home ownership was transformed into a neoliberal project that subverted these social objectives in the 1990s and 2000s.

In the United States (US), the foundation of a Federal National Mortgage Association (Fannie Mae) in the 1930s introduced mortgage securitization as Mortgage Backed Securities (MBS), expanding the capacity of mortgage lending and, much later, facilitating the penetration of global capital via financialization into household borrowing for home buying (Bratt, 2012b). Financialization is a process in which market deregulation and reregulation allows global capital seeking ever-higher returns to colonize and dominate other economic domains. A specific practice is the realization of profitmaking 'through financial channels rather than through trade and commodity production' (Krippner, 2005, cited in Aalbers, 2008, p. 148). In the case of housing, deregulated mortgage securitization in the 1980s expanded the interconnectedness of global capital and local housing markets. Local and tangible property assets were transformed into liquid, globally tradable financial MBS products, facilitating extraordinary augmentations in lending and borrowing on property and subsequently house prices in the late 1990s and 2000s.

Both housing and mortgage markets beyond the US were increasingly influenced by, and subjugated to, an international architecture of financial growth built on credit and real estate. National mortgage and finance institutions similarly came to rely on market funds and interbank lending (as opposed to their deposit base) to finance domestic activities (European Central Bank, 2009). In this process, households were exposed to greater housing market risks such as indebtedness, interest rate fluctuations and house price volatility, as well as labor market risks (Stephens, 2007; OECD, 2011). It was inevitably the integration of subprime lending with mainstream securitization, along with a downturn in the US labor market, which triggered a chain of foreclosures that exposed macroeconomic vulnerability arising from the centrality of inflated housing assets in the global economy and culminating in the credit and ensuing economic crises. Even housing markets and economies that had remained relatively insulated from securitization and over-exuberance in borrowing and lending on homes were eventually pulled into the boom and bust in one way or another.

Post-GFC Housing Wealth

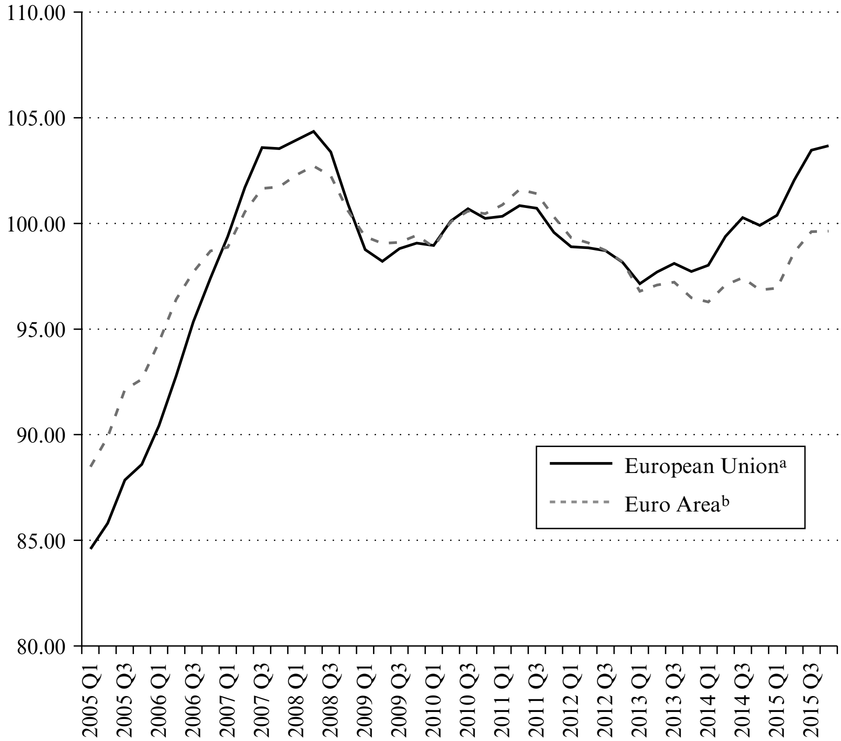
Depending on their economic blueprint and housing and welfare systems, the economic crisis took on a different form, with variegated consequences in each country (for example, Forrest and Yip, 2011; Fuentes et al., 2013; Waldron and Redmond, 2015). Although more households have faced employment risks and negative equity in countries with more strongly financialized housing finance systems, the relationship between risky household positions (for example, mortgage arrears and repossessions) and urgent welfare problems has been moderated by various factors. The size and generosity of the welfare system, as well as the existence of other protective arrangements, have been critical to this. In the Netherlands, for example, income support for the unemployed and protective measures against foreclosure (for example, Mortgage Guarantees) have softened the impact of house price deflation (see Ronald and Dol, 2011). In other contexts, the extent to which the speculative house price boom stimulated excessive house building and whether public deficits required the implementation of austerity packages (as in Spain and Ireland) have also been significant in amplifying the effects of the crisis (for example, Waldron and Redmond, 2015).

In some countries, economic fallout was more contained and, in the years that followed, housing markets became even more speculative in a context of low interest rates and continued demand for owner-occupied housing (as in Sweden). Even in Germany, where house price growth had long been subdued, Kemp and Kofner (2014) have reported how the economic crisis has increased the attractiveness of residential property (in particular portfolios of private rental housing) as a safe haven for investment, especially among international investors. Global capital and finance again appears to be reshaping housing conditions. In the post-GFC context, however, this process has been more direct: in terms of the actual procurement of residential real estate rather than investment in securities. According to Savills (2016), cross-border residential property investment increased 334 per cent between 2009 and 2015. Within economies, cities have also reacted unevenly. Here, the UK is exemplary (also see Wallace, this volume); while house prices almost halved in Belfast (−47.2 per cent) between 2007 and 2015, in London they increased by around 44 per cent over the same period (Hometrack UK, 2015).

Although housing financialization was clearly identified as a root cause of the GFC, this seems to have done little to undermine state commitment to the promotion of home ownership or faith in it as a means to either stimulate the economy or enhance the security of households (see Ronald and Elsinga, 2012). At the macro level, economic growth in the pre-crisis era came to rely on the performance of housing markets and inflated asset values (see Schwartz, 2009). In the post-crisis context, governments have typically returned to this as a default assumption, and have now locked themselves into situations where they can do little to dissipate market overheating or promote alternative tenures in such a way that access to decent and affordable housing remains safeguarded.

At the individual level, mortgaged owner-occupation, despite market volatility surrounding the GFC, has become strongly normalized, with the meaning of home – in the sense of haven – embedded with understandings of housing as a family asset or financial good (for example, Ronald, 2008; Naumanen and Ruonavaara, 2015; Poppe et al., 2015). As Smith (2015, p. 64) puts it, ‘the functional and financial hybrid known as owner-occupation persists unquestioned as a cultural norm’. Decades of increasing home ownership along with ostensible long-term house price augmentation, in a context of intensified social and economic risk, has arguably contributed to the financialization of the self, reaffirming home owners as a key investor subject of neoliberalization (see Smith, 2008; Langley, 2010; Watson, 2010). New financial possibilities have changed households’ management and consumption patterns in regard to their home, with many becoming more proactive in terms of accessing their housing assets (via equity release products and so on), or aggressive in terms of property accumulation and even landlordism[1] (Ronald et al., 2015). At the same time, as Wallace (this volume) shows in the case of Northern Ireland, not all home owners actively engage with their homes as financial assets; many low-income households prioritize the use-value, especially during economic downturns.

Another element of transformation in housing wealth has been the structure of outright, un-mortgaged home ownership. According to Eurostat (2015), among EU Member States, while seven in ten people live in an owner-occupied home, over one-quarter of the population dwell in a mortgaged home while more than two-fifths occupy a mortgage-free property (27.1 per cent compared to 43.0 per cent). Although the rate of mortgaged home ownership is higher in more financialized housing economies, with mortgage lending, as measured against gross domestic product (GDP), increasing up to the crisis, in many contexts house price advances have actually undermined this debt. Figure 1.1 provides an aggregated view



Notes:

a. European Union: EU6–1972, EU9–1980, EU10–1985, EU12–1994, EU15–2004, EU25–2006, EU27–2013, EU28.

b. Euro Area: EA11–2000, EA12–2006, EA13–2007, EA15–2008, EA16–2010, EA17–2013, EA18–2014, EA19.

Source: Eurostat (2015).

Figure 1.1 European house price index (2010=100)

Sources: Hypostat sources listed (EMF, 2015): European Mortgage Federation National Experts, European Central Bank, National Central Banks, Eurostat, Bureau of Economic Analysis, Federal Reserve.

Figure 1.2 Total outstanding residential loans to Gross Domestic Product (GDP) ratio (%)

of house price developments. Although the crisis had a particular impact between 2008 and 2010, property values have typically been resilient, with a longer-term upward trend becoming more evident. Many countries – including Austria, Germany, Sweden, Norway and the UK, for example – have individually experienced value increases of more than 20 per cent since 2010 (see Table 1.1). Figure 1.2 meanwhile illustrates how house price recovery has not been led by a credit revival, with mortgage debt to GDP ratios remaining flat since 2009. The figures imply that recent house price increases represent a flow of capital from other domains to housing, feeding equity accumulation.

The balance of housing equity, however, is quite variegated across Europe (see Table 1.1). In Denmark and the Netherlands, the boom in home ownership was quite late and highly financialized, meaning

Table 1.1 Home ownership and related housing market characteristics across the EU around 2015 (%)

Country	Residential mortgage debt/GDP[a] (%)	House price change 2010–2015 (relative % change)[b]	Home-ownership rates[c] (%)	Home-ownership rates (%). Low-to-moderate-income households (deciles 1–4)[c]	Outright home ownership (% of home owners)[c]	Outright home ownership (% of home owners). Elderly households (60+)[c]
Romania	6.70	−9.02	95.5	96.7	99.0	99.9
Bulgaria	8.30	−4.58	84.8	83.1	97.7	99.6
Slovenia	14.40	−15.90	75.3	68.0	89.6	97.9
Lithuania	16.40	20.78	91.3	88.7	93.4	99.8
Czech Republic	16.60	6.78	77.9	73.1	81.7	97.4
Hungary	16.60	6.29	88.5	85.5	82.2	95.0
Croatia	18.30	−10.80	88.9	88.5	97.6	99.7
Latvia	19.50	30.83	79.8	73.9	91.0	99.0
Poland	20.00	−4.52	81.4	75.3	89.0	98.8
Italy	22.20	−13.45	71.9	61.8	80.1	95.9
Slovakia	23.10	3.88	90.6	88.2	91.5	99.2
Austria	27.50	38.04	50.0	35.7	59.3	84.7
Estonia	31.10	59.85	76.5	72.3	81.6	98.8
Greece	38.80	–	72.8	69.6	82.9	91.9
Germany	42.40	21.72	44.5	29.0	55.6	82.3
France	43.30	3.90	61.0	44.7	62.4	93.6

Finland	43.70	7.90	67.3	52.0	51.9	83.8
Malta	45.40	8.75	76.6	68.7	77.8	99.7
Belgium	49.10	12.23	66.8	51.1	50.2	92.0
Ireland	49.40	−3.23	70.4	58.1	58.8	95.3
Luxembourg	50.70	26.02	69.0	50.4	46.3	92.6
Spain	55.40	−24.45	77.7	66.4	63.1	92.6
Portugal	59.20	−5.48	73.1	65.0	59.0	92.7
Cyprus	66.40	−11.79	66.4	52.5	76.1	98.5
Iceland	71.70	43.63	72.9	58.6	24.1	46.5
UK	75.00	27.70	63.5	49.5	51.8	89.8
Norway	75.80	34.96	77.1	60.1	29.5	57.5
Sweden	78.80	44.21	62.6	44.6	16.9	33.2
Netherlands	95.70	−8.78	56.4	34.1	14.9	35.4
Denmark	114.00	12.18	53.4	36.3	28.6	47.1

Sources: a. European Mortgage Federation, Hypostat (EMF, 2015); b. Eurostat (2015) (14 May 2016); c. EU–SILC (2013, own calculations, household level). EU–SILC data provided by Tilburg University.

residential mortgage debt to GDP ratios have continued to hover around the 100 per cent mark since the early 2000s. On the other hand, many Southern and Eastern European countries rely on family wealth to finance house purchases. In Italy, for example, mortgage debt still represents around one-fifth to one-quarter of GDP, while in Romania, just 1 per cent of home owners (who make up more than 90 per cent of households) are mortgaged (also see Soaita, as well as Zavisca and Gerber (for Russia), this volume). Table 1.1 also reveals how important home ownership and housing wealth are to the older population and across income categories in many countries; indeed, they are actually more prominent in less financialized contexts, particularly among lower-income households. Even though it is often pointed out that housing wealth in these less financialized contexts is also less accessible, house prices in these countries rose significantly, particularly during the period before the GFC and in urban settings. Furthermore, in these countries the housing–welfare link is of a qualitatively different nature (discussed later).

HOUSING AND WELFARE

In view of the growing prominence of housing wealth and its centrality to twenty-first-century socioeconomic transformations – specifically globalization and financialization – a broader ‘political economy’ perspective on housing has emerged (for example, Schwartz and Seabrooke, 2008; Aalbers, 2008; Aalbers and Christophers, 2014; Ansell, 2014), moving the spotlight from ‘owner-occupation’ as a source of shelter and stability to ‘residential real estate’ as an investment product, a store of housing wealth and a driver of economic and political change. Nonetheless, there has long been an awareness of the broader role of housing and housing wealth in the social structure. A specific point of reference has been the role of private housing assets in the restructuring of welfare relations as the traditional Keynesian social policy model has faded.

At an anecdotal level, Saunders (1990) alluded to this when he pointed out how the generation of his parents – lower-middle-class non-manual employees who started a family in the postwar years – managed to gain access to home ownership in the mid-1950s, and how they accumulated wealth in their home over time, which, based on labor market participation, they never could have otherwise achieved. Their unexpected housing wealth meant they were less dependent on either their income or the welfare state in satisfying their welfare needs, especially in later life. Kemeny (1981) and later others (Castles, 1998; Fahey, 2003; Dewilde and Raeymaeckers, 2008; Delfani et al., 2014) provided a more critical review of this process, focusing on the prevalence of home ownership and the accumulation of housing equity impacting on welfare structures, political relations and welfare outcomes.

Kemeny (1981) initially hypothesized that the expansion of the welfare state in countries with high levels of owner-occupation had been hampered by the frontloading in the family lifecycle of the costs of acquiring home ownership: the considerable financial means needed to purchase a house would compromise the willingness to accept the high tax burdens necessary to finance generous social transfers – in particular those benefiting the older population, most of whom are outright owners at retirement. Accounting for the comparatively low social spending in 'New World' English-speaking welfare states, Castles (1998) subsequently argued that widespread home ownership functions as a 'quasi' old-age insurance: home owners can get by on lower pensions because home ownership limits their housing costs in old age, hence, they do not press for more generous pensions. Essentially, this literature established an important country-level association (or so-called 'trade-off') between housing wealth and the structure and development of postwar welfare systems (in particular welfare state generosity in later life), but also failed to unravel the underlying dynamics and explanatory mechanisms.

Recent theoretical and empirical work has questioned a number of implicit assumptions with regard to the distributional outcomes of different housing–pension welfare mixes (Dewilde and Raeymaeckers, 2008) and its causality in terms of housing wealth driving retrenchment of pension provision (De Deken et al., 2012; Delfani et al., 2014). Contributions to the first part of this volume (that is, Norris; Bengtsson, Ruonavaara and Sørvoll; Lennartz; Köppe and Searle) equally challenge the idea that this relationship, or trade-off, can be formulated in causal or linear terms. They nonetheless continue to emphasize the relationship between housing wealth and welfare, but in terms of more embedded social and institutional arrangements surrounding housing regimes, welfare states and redistributive processes, mortgage and financial markets, politics, labor markets and family structures. They furthermore contribute to our understanding of the relationship between housing (wealth) and welfare (provision) by combining new interpretations of old debates with a reconceptualization of the main issues; for example, by recasting home ownership policies in some contexts as having predominantly redistributive goals, or by broadening the focus from pensions (which are notoriously hard to retrench) to other domains of welfare provision.

Critically, then, this volume seeks to move beyond the simple association between housing wealth and pensions and explores the more complex interactions between housing and welfare arrangements in different social and historic contexts. As we have argued from the beginning of this chapter, housing wealth appears to have not only expanded but also adopted a particular centrality in recent years, helping to forge important social, economic and political realignments that lie at the heart of contemporary social relations. Arguably, the most important of these are the restructuring of welfare regimes and decline of welfare states, the influence of housing markets on political dynamics and the subsequent emergence of new patterns of socioeconomic inequality, as we now consider in more detail.

Welfare Regimes

'Welfare' is an ambiguous term with various meanings and connotations. Within the context of advanced welfare states there is a consensus that 'welfare' equates to someone's wellbeing, which is determined not only by the fulfillment of basic needs (that is, physical survival), but also by the realization of life chances or capabilities (for example, Sen, 1983). The term 'welfare' is also often used to denote public systems of welfare provision,[2] in other words the 'welfare state' and its associated social services. More critically, the idea of 'welfare regime' has come to the fore since the early 1990s to explain how different 'types' of societies modify the distributional outcomes of (labor) markets. While notions of welfare regimes predate Esping-Andersen's 1990 work,[3] the original 'three worlds of welfare capitalism' he identified have since dominated comparative understandings of structures of inequality and wellbeing. Numerous authors have contributed to a diversification of this typology in response to critical differences in welfare arrangements (for example, Castles and Mitchell, 1993; Orloff, 1993, 1996; Arts and Gelissen, 2002; Gough et al., 2004; Scruggs and Allan, 2006; Hudson and Kühner, 2009). Housing was notably absent in early welfare regime constructions, but has – along with the changing nature of state provision and market consumption – become more prominent in explaining variations in welfare conditions and regime structures (see Hoekstra, 2003, 2010; Allen et al., 2004; Kurz and Blossfeld, 2004).

The alignment between welfare regimes and housing is by no means clear-cut. Housing systems in each society diverge in complex and meaningful ways, reflecting differences in organizing principles of housing provision, among other factors (for example, Barlow and Duncan, 1994). Well-known, concrete instances of such organizing principles pertain to the constitution of rental sectors in terms of dual or unitary (integrated) markets (Kemeny, 1995), the role of the (extended) family in housing provision (for example, Allen et al., 2004), and ways of promoting and financing home ownership (for example, Ronald, 2008). Kemeny (1992) initially posed housing and welfare regimes in countries such as the UK and Australia against those of Sweden and the Netherlands. In the former, the prevalence of home ownership and the structure of housing costs over the life course favored individualization, suburbanization and market-orientated welfare structures, while in the latter, widespread low-cost renting supported urbanization and more collectivized welfare practices.

While housing policies and practices remain highly differentiated, since the 1990s there has been growing international alignment in terms of housing financialization and property ownership (as discussed earlier). A specific way this transformation has been understood has been the advance of 'asset-based' welfare state restructuring. This describes a process in which individuals are encouraged to accept more responsibility for satisfying their own welfare needs by investing in financial products and assets that are expected to increase in value and be drawn upon in times of need. The term largely derives from Sherraden's (1991) approach to individual asset accumulation, in a broader sense, as a means to enhance personal capacity and as an alternative to welfare benefits. As housing assets became the main mode of asset accumulation in the late twentieth century, alongside the advance in property markets and values, asset-based welfare became increasingly manifest as a form of 'property-based' or even 'home-ownership-based' welfare (Doling and Ronald, 2010) and was more or less explicitly pursued in policy agendas (Watson, 2010).

Augmentations in housing wealth in different economies were thus increasingly associated with 'welfare switching' practices – from housing equity into private consumption, welfare services or even income – with advances in owner-occupancy and property values helping to 'legitimize' and 'incentivize' a shift away from collective social insurance to welfare self-provision (Smith et al., 2009). A similar process was conceptualized by Crouch (2009) as a form of 'privatized Keynesianism'. In this account, the postwar Keynesian growth model, in which the welfare system was sustained by a tax transfer mechanism, gave way to a new growth model based on credit. Specifically, in extending credit (debt) for home buyers and sustaining house price increases – facilitated through greater integration of commercial and investment banking – housing equity came to represent a means to improve asset wealth and sustain consumption, supporting economic growth more broadly. In this regard, economically liberal governments have specifically sought to nurture lower taxation, to roll away state welfare support and to reduce public debt in favor of extended market provision and private debt management, with households expected to either build up or release their housing equity according to changes in their own welfare needs.

While 'privatized Keynesianism' and 'asset-based welfare' have provided conceptual lenses for understanding welfare regime transformations in economically liberal, English-speaking societies in particular, they also provide insights into shifting welfare relations elsewhere. For example, the decline of large social housing sectors and the rapid advance of mortgaged home ownership in corporatist and social-democratic regimes – such as the Netherlands, Denmark and Sweden, where recent increases in home ownership have been even more pronounced – have provided a means to sustain and legitimize extensions of market practices and shift responsibilities from the state to private entities and households. Indeed, housing wealth, financialization and welfare relations appear to have aligned in different ways in different contexts, but with convergence among certain groups of countries. Schwartz and Seabrooke (2008) therefore distinguish between varieties of 'residential capitalism' – with, for example, 'liberal market' societies featuring a strong trade-off between owner-occupied housing equity and pension systems (such as Australia and the UK) – and 'corporatist market', low-housing-equity countries that have both large social rental housing sectors and substantial mortgage debt (such as Denmark and the Netherlands). It has been further argued that housing financialization has been particularly effective in stimulating rapid change and realignment in welfare state and institutional relations (Fernandez and Aalbers, 2016), connecting states and households to housing markets and global finance in different ways with important political implications at various levels.

The Politics of Housing Wealth

Malpass (2008) has argued that the advance of home ownership has not just been a way of promoting individual welfare autonomy, but has also represented a force for deeper state restructuring, with governments increasingly looking to housing markets 'to pursue non-housing goals in regard to key areas of personal well-being such as health, education and pension provision' (p. 3). The financialization of mortgage markets has been similarly associated with a deregulatory agenda that has sought a deeper embedding of market relations in social and institutional relations (for example, Aalbers, 2008; Langley, 2006). The assumption, then, is that policies surrounding the privatization of housing lie at the heart of recent political realignment. In this volume, the relationships between housing and politics are more explicitly examined by Bengtsson, Ruonavaara and Sørvoll (Chapter 3) and Lennartz (Chapter 5), who frame housing privatization against a backcloth of policy transformations and state–market restructuring in a number of European contexts.

There is, nonetheless, an historic line of argument that has focused on the political outcomes of housing property ownership at the individual level going back to Engels (1872), who identified how home ownership locked buyers into petit bourgeoisie property relations and limited potential for radical political action. More contemporary thinkers have argued, for better or for worse, that home buyers become stronger stakeholders and are therefore likely to be more politically conservative (Saunders, 1990) and resistant to taxation and welfare state spending (Kemeny, 1981). On the other hand, a considerable amount of literature has celebrated the influence of home ownership and how it sharpens autonomy and shapes individual traits (see Rohe et al., 2002). Empirical research concerning the social or political 'effects' of tenure on owner-occupiers, however, has been plagued by normative biases and weak empirical designs, rendering it difficult to disentangle causation from selection (Dietz and Haurin, 2003; Zavisca and Gerber, 2016). However, being in or entering home ownership does not change one's character or nature, but rather one's interests. Furthermore, for heavily indebted low-income home owners, feelings of 'ontological security' can often give way to financial insecurity and stress, with adverse impacts on subjective wellbeing (for example, Nettleton and Burrows, 1998).

More contemporary research on the politically divisive nature of housing-based wealth accumulation has typically been embedded within a more general theoretical narrative on neoliberalism and financialization (for example, Harvey, 2005). In this discourse, social change is often discussed in terms of largely impersonal forces arising from the changing nature of capital accumulation or as the result of a 'neoliberal project'. According to Mau (2015), however, neoliberal policies are driven (at least in part) by the changing interests and concomitant political alliances of the middle classes, as it is unlikely that such a political project can be carried out without the support of the majority of voters. Mau argues that the incorporation of the middle classes into the welfare state – allowing for collective upward mobility – ultimately resulted in their disengagement from socialized welfare arrangements. The middle classes have thus developed a self-economized orientation in which they 'repeatedly update, renew and update these resources [their social, economic and cultural capital] in order to be able to realize their life goals of increased prosperity, security and participation' (Mau, 2015, p. xi). To this end, they have increasingly invested their household assets in the market, by means of stocks and shares, participation in private pensions saving plans and also investment in home ownership – or, more broadly, residential real estate. The middle classes have therefore developed rentier interests that are at odds with their investments in collective welfare state arrangements, with consequences for voting behavior, electoral outcomes and ultimately government policies.

Although empirical research into the micro-level foundations of the transformation of the housing–welfare relationship is scarce, recent work has started to address these macro–micro links in more detail. Housing market financialization and concomitant gains and losses in housing wealth have been associated with (changes in) social policy preferences – in particular support for government redistribution (Ansell, 2014; André and Dewilde, 2016). During housing booms, right-wing parties have been shown to respond to changes in voter preferences aligned around house wealth by cutting down redistributive spending (Ansell, 2014). Comparative welfare state research has, however, also shown that more socialized welfare arrangements, entailing a higher level of risk pooling and redistribution among a larger number of social groups, are key to reducing poverty and inequality.

Housing Wealth as Driver of Greater Socioeconomic Equality or Inequality?

From a critical perspective, the advance of home ownership has embodied a historical alignment in political relations and wealth accumulation processes in which the focus on residential property as a means of accruing household assets has supported the advance of neoliberal forces: sustaining the commodification of the home, advancing financialization and the penetration of global capital, and legitimizing the withdrawal of collective provision in the form of the welfare state. Nonetheless, from a less critical angle it has also represented a socially progressive policy agenda: a means for governments to advance economic inclusion and the distribution of assets. Indeed, in its original formulation, the 'asset-' or 'property-based' welfare agenda assumed enhanced welfare and autonomy for those at whom it was targeted – the poor, low-income households and ethnic minorities – ultimately resulting in greater equality and prosperity (Sherraden, 1991; Retsinas and Belsky, 2005; Bratt, 2012a). Over time, however, many authors have identified weaknesses in this line of reasoning, especially when the 'assets' concerned typically refer to 'housing assets'.

For one, the distribution of housing wealth does not reflect need, and 'usable' housing wealth tends to be concentrated in the hands of those who already dispose of other resources (for example, occupational pensions). Moreover, strong house price inflation tends to advantage housing market insiders and wealthier households, while regional variations in house price booms and busts structure other inequities (see Hamnett, 1999; Dorling et al., 2005; Malpass, 2008). Housing markets have become remarkably uneven; gains are most intense in prime sectors in which higher-income home owners are more concentrated, and losses (or softer growth) characteristic of the homes and neighborhoods associated with lower-income owner-occupiers. Furthermore, housing market developments are not counter-cyclical to developments in the wider economy, with home ownership being limited as an economic buffer or welfare shock absorber. Indeed, it is just when housing wealth is needed most – such as during the last economic crisis – that it is likely to diminish or even be inaccessible (see Ronald and Doling, 2012).

Furthermore, in recent decades, returns on housing and other capital assets have been much greater than increases in incomes – with a disproportionate advantage for the holders of capital (Piketty, 2014), who have increasingly adapted urban real estate as a store of wealth – enhancing inequalities and diminishing possibilities to access housing asset wealth among lower-income households. It has therefore been argued that housing financialization and growth in housing equity has inevitably resulted in stronger possibilities for enhanced rent extraction and economic stratification (for example, Aalbers and Christophers, 2014). Critically, differential housing wealth gains and losses have contributed to other social and economic inequalities and transformed into additional forms of (dis) advantage and opportunities. This dynamic furthermore appeared to be reinforced in the aftermath of the GFC (Kennett et al., 2013; Rolnik, 2013; Forrest and Hirayama, 2015).

Two core dimensions of socioeconomic inequality can thus be associated with recent developments in housing wealth, both pertaining to a growing precarity in developed economies. The first of these concerns is the emergence of strong intergenerational divisions in access to housing and housing wealth. The second relates to the exacerbated condition of the poor and vulnerable.

The boom in home ownership rates among advanced economies in the late twentieth century was often characterized by growth among younger adult owner-occupiers, who previously had more limited access to credit and less motivation to leave renting. Despite easier access to mortgage credit during the period 1990–2007, the affordability of home ownership faded again following steep house price inflation. This contributed to increasing average age of entry to home ownership and the reassertion of social class differentials. This was further exacerbated by the labor market, with declining job security especially affecting new entrants (see Kurz and Blossfeld, 2004; Forrest and Yip, 2013). After the GFC it became even more difficult to enter home ownership, as conditions for mortgage lending became stricter, welfare transfers were curtailed (for example, for education) and labor market conditions of young people deteriorated further. Subsequent declines in home ownership rates among younger cohorts across Europe have been accompanied by commensurable revival of younger adults co-residing with parents or renting privately. According to Lennartz, Arundel and Ronald (2015), between 2007 and 2012, home ownership rates among independent 18- to 34-year-olds fell by an average of 3.3 per cent across the original 15 EU member countries, and by as much as 5 to 10 per cent in countries with high rates of financialization (mortgage debt) such as Denmark, the Netherlands, Sweden and the UK.

Much debate has subsequently focused on the housing situations of young people (for example, McKee, 2012; Lersch and Dewilde, 2015; Arundel and Ronald, 2016; Filandri and Bertolini, 2016; Kolb and Buchholz, this volume). A specific research focus has been children's dependency on parental help and resources to become and remain home owners. Several countries have witnessed an increase in the association between the home ownership of parents and that of their offspring (for example, Searle and McCollum, 2014; Mulder et al., 2015; Druta and Ronald, 2016), with housing emerging as an important medium in the restructuring of socioeconomic inequality. Indeed, to the extent that home ownership is more common among older higher-income groups, who can provide increasingly large amounts of housing wealth (achieved by market entry under an earlier regime of easy finance and lower relative prices) for their own children, intergenerational transfers threaten to deepen existing structures of inequality.

Some commentators have also focused on intergenerational conflicts derived from housing wealth disparities between older and younger generations. More melodramatic approaches conjure up a contemporary battleground featuring self-interested housing and pension wealthy baby boomers on one side and impoverished, employment-insecure 'generation renters' on the other (for example, Willetts, 2010). While the conflict has been somewhat overplayed in light of kinship-based transfers in housing wealth and assistance, research does indicate an increasing mobilization of housing assets by older people who have been advantaged by diminishing prospects of home ownership among the young (Ronald et al., 2015). In its most obvious form, this involves older cohorts buying up housing – helping to sustain higher house prices – to rent out to younger people locked out of owner-occupation.

While the young have featured in public discourses as those affected most by housing access and wealth inequalities, conditions for low-income households more generally have been eroded substantially by housing market transformations in the policy climate of deregulation, austerity and asset-based welfare. Although the vulnerable are often housed in other tenures, they have not remained immune from the financialization of housing and its impact on welfare regimes and housing market dynamics (for example, Dewilde and De Decker, 2016). The increased policy focus on, and use of, housing as an investment asset has compromised access to decent and affordable housing through processes such as privatization of the public housing stock; new urban strategies aimed at enabling the mobilization and circulation of global capital, such as institutional investment in private rental housing (for example, Fields and Uffer, 2016); welfare cuts and austerity measures (for example, Kennett et al., 2013) and greater spatial segregation and concentration of wealth (for example, Walks, 2016). In the post-crisis context, despite the prominence of mortgage finance as the root of the GFC, governments have been resistant in developing other tenures, especially social renting. The promotion of home ownership and housing commodification has thus progressed largely unabated. Moreover, in light of emerging market exclusion, subsidies have flowed towards initiatives to sustain home-ownership rates rather than ameliorating poor housing conditions or access to affordable homes, especially among those on low incomes.

WHY HOUSING WEALTH AND WELFARE?

In this introductory chapter, we have so far sketched out the contours of a new and more comprehensive framework that illustrates the multiple dimensions of the housing and welfare nexus. While housing and welfare have always been connected – either as a source of wellbeing or as a form of social welfare policy (that is, through social housing or state-supported outright home ownership in later life) – this connection has been deeply altered by the increased centrality of *housing wealth* (rather than ‘home ownership’ or ‘housing’) for economies, governments and households. Broadly speaking, processes of economic globalization and financialization – enabled by government reregulation – have driven an upward trend in aggregate and individual housing wealth holdings, supporting the shift from state welfare provision to more commodified forms of self-provision featuring house-buying and welfare-switching strategies across the life course.

Inflation – both real and imagined – in housing wealth has altered interests and practices involving its uses and meanings, with actual consequences for welfare regimes – in terms of political relations and advances in socioeconomic inequalities – before, but also after, the economic crisis. At the same time, the commodification and financialization of housing has been particularly uneven across institutional contexts in terms of the depth of change and specific manifestations. In Eastern Europe in particular, the lack of development in housing finance following privatization of state-provided housing, combined with the patchy evolution of welfare benefits and services during and since transition, have resulted in the redistribution of housing itself (and welfare in general) based on reciprocity within the extended family. All chapters in this edited volume seek to explore these new, more complex interactions between housing, housing wealth and welfare across a variegated range of historic, social and economic contexts.

OUTLINE OF THE BOOK

This edited volume addresses housing wealth and welfare relationships across various developed societies and interprets the concept of 'welfare' in its diverse manifestations and meanings. It thereby provides diverse empirical contexts for examining and understanding the complex relations between housing wealth and welfare. Of particular concern are the interactions between social, economic and housing policies and welfare state transformations, wellbeing and housing outcomes. The chapters are divided into two complimentary parts, although there is considerable overlap. Part I (chapters 2 to 5) addresses old and new conceptions in housing and welfare and is constituted of diverse contributions that provide a broad overview of debates placed in more historical, theoretical and cross-national relief. These opening chapters thus establish the critical theoretical tools and a more comparative empirical sensibility from which to address the more context-focused chapters that follow. Indeed, Part II of the book (chapters 6 to 10) goes on to explore different dimensions of housing wealth and welfare relations at various social and spatial scales and in a diversity of social, economic and political contexts.

The opening chapter of Part I revisits 'old conceptions' of housing and welfare by taking a longer historical look at the broadening distribution of housing assets and the role of public policy therein. Michelle Norris, in this case, examines the changing character of home ownership and its relationship with the welfare state in the Republic of Ireland over a century-long era, starting from the end of the nineteenth century. This longer-term vista provides a contrast to prevailing interpretations in Anglophone countries that links the growth of home ownership with neoliberalization and the weakening of the state's role in welfare provision. Norris argues, in terms clearly reminiscent of Forrest and Hirayama (2015), that the early promotion of mortgages, grants and tax subsidies that facilitated the expansion of owner-occupation was primarily 'socialized' rather than 'marketized'. Ireland's distinctive home-ownership regime emerged from a wider suite of policies that supported capital redistribution, particularly in the form of farmland, and was associated with welfare expansion in terms of a rudimentary asset-based welfare system. From the 1970s onward, however, this approach began to dissipate in conjunction with acute fiscal crises and ideological shifts in approaches to housing and the wider economy. Since the mid-1980s, various parts of the social system of home ownership have been rolled back in favor of a more speculative and market-orientated approach. By the end of the century, home ownership had been transformed and, while not entirely liberalized, has proven to be particularly speculation-orientated. It has also become characteristically fragile, as has been demonstrated by the collapse in the Irish housing market and the sharp fall in home ownership rates (from around 80 per cent in the 1990s to just over 68 per cent in 2015). While being a quite remarkable case, Norris's chapter provides fertile ground for evaluating the social and political roots of home-ownership-focused policies, as well as how they have interacted with a more globalized market context and the influence of neoliberal ideas and practices.

The second chapter in this section, and Chapter 3 in this volume, also takes a longer-term view of developments in housing policy and welfare – albeit over a shorter time frame – but with a focus on Nordic countries that have stronger social-democratic welfare traditions and deeper welfare states, especially in regard to housing. Sweden in particular has a long social rental housing tradition and, until recently, municipal housing companies have dominated provision in cities. This chapter specifically examines whether political processes related to the provision of owner-occupied housing in Finland, Norway and Sweden follow similar or different logics of path dependence compared with those of housing provision in general. Bo Bengtsson, Hannu Ruonavaara and Jardar Sørvoll argue that in all three of these countries, regardless of cultural and ideological differences, the discursive strength of political ideas surrounding home ownership and the potential power of home owners has increasingly taken hold despite considerable differences in policy regimes and trajectories. While the development of housing policies and institutions typically demonstrates strong elements of path dependence, this comparison of selected Nordic countries illustrates how powerful the 'myth of home ownership' (Kemeny, 1981) has become. Neoliberal conceptions of housing wealth and asset-owning home owners have also begun to permeate these societies, undermining the logic of equality and justice in the provision of housing, as well as tenure neutrality in policy, to forge alignment around home ownership as the state-favored tenure.

Chapter 4 takes us in a much more conceptual direction and sets out a new framework from which to understand and analyse processes involved in, and the impact of, housing wealth accumulation in some detail. Stephan Köppe and Beverley A. Searle specifically draw from the empirical literature on housing wealth transitions in English-speaking home-owning societies in developing a framework that captures housing wealth and welfare processes at different stages of the life course. The gAMUT approach they set out focuses on four key stages: accumulation, managing, using and transferring housing wealth. Based on these four stages, welfare opportunities and risks across the life course are identified. A particular finding in this research has been that while housing wealth has the potential to improve welfare security in later life, home owners are typically more exposed to other social risks throughout their lives than they would be otherwise. At the same time, risks are often highly individualized and housing wealth is a particularly vulnerable form of personal insurance. For example, while those who incur few care costs in late life can usually transfer the full value of their home to their children, those who have intensive care needs are unlikely to fully pass on the wealth they may have amassed in housing property. Köppe and Searle conclude that housing wealth accumulation has potentially large individual benefits if managed well, but is dependent on economic environments and, in the end, often functions poorly as a means to cover social risks. The implications are then, that the alternatives to the welfare state represented by housing-derived forms of asset-based welfare are often of limited use.

The increased centrality of housing assets in the political economies of Western welfare states and in securing the welfare position of households has gone hand in hand with new government approaches to welfare provision. In Chapter 5, Christian Lennartz analyses the complementarity between the advent of property-based welfare strategies and the Social Investment Strategy (SIS) propagated at the European level. Social investment refers to a process of welfare state restructuring aimed at curbing traditional, protectivist spending on so-called 'old' social risks (for example, unemployment), while investing in more productive- and employment-orientated social policies aimed at tackling so-called 'new' social risks (for example, in-work poverty). Based on a 'directions of change' matrix, devised in terms of protective and productive spending, it is possible to distinguish between four different welfare state strategies: welfare retrenchment (cutting down on both types of spending), welfare expansion (increasing both types of spending), welfare protectionism (increased spending on protectionist policies, decreased investive spending) and welfare readjustment (increased spending on productivist policies, decreased protective spending). In Lennartz's empirical analysis, there is a striking association between welfare state retrenchment (especially in Nordic countries) and readjustment (especially in liberal English-speaking nations and the Netherlands) on the one hand, and the accumulation of private debt through mortgages (coupled with increased housing wealth following house price inflation) on the other hand. The housing property-based welfare approach may therefore potentially be understood as part of a welfare restructuring process that advances a more productive welfare state, in which governments encourage citizens to assume large mortgage debts, with the accumulation of housing assets assuming a privatized security role, facilitating the redirected flow of public resources from 'old' to 'new' welfare state functions.

Part I of this volume thus moves us, conceptually speaking, from examples of older traditional modes of housing wealth as a feature of welfare policy to more recent and complex ones in which housing property cuts more deeply across the political economy and is more intertwined with social and economic practices. Part II provides a broader comparative and empirical basis for exploring and understanding institutional influences, socioeconomic and sociostructural variegation and the broader significance of context. It also deals with housing wealth and welfare as a more imminent concern that has critical salience to the development of capitalist societies and emerging drivers and relations of inequality.

Previously, we noted how property-based welfare policies clash with the concentration of housing market rewards and risks. In Chapter 6, Alison Wallace analyses how low-income home owners in Northern Ireland have managed the severe housing market downturn in the region. Specifically, she explores whether housing assets played a role in supporting vulnerable home owners through the economic downturn and what the removal of this resource in the falling market meant for home owners. Northern Ireland has been hit hard by the housing, financial and economic crisis, and has experienced a strong decline in house prices, coupled with high levels of negative equity, mortgage debt and arrears as well as a strong decline in property transactions. Quantitative and qualitative data sources, however, both point to a fair degree of resilience of low-income households. Although the region experienced the greatest incidence and magnitude of negative equity, home owners in Northern Ireland exercised greater caution towards the use of riskier forms of home finance than across the UK as a whole. When they did engage, however, they did so later in the housing market cycle and were therefore more vulnerable in the falling market. The ramifications of the market downturn on residential mobility, negative equity, mortgage arrears or repossession were deeply felt by a minority. However, resilience in the face of adversity was bolstered by adopting a conservative approach to the financialization of the home, as the private asset model of welfare was rejected and the use-value of the home was prioritized above its exchange value. Resistance to contemporary home economics increased their resilience in an uncertain market. The author, however, notes that such a strategy may offer security and control to home owners for the time being, but the extent to which the global trend toward the financialization of housing can be reversed is more questionable.

Due to institutional constraints, Germany has remained less exposed to the vagaries of economic and financial deregulation, particularly in the housing domain. Real house prices have remained constant for the last three decades and residential mortgage debt still stands at a fairly low level (see Table 1.1). This does not mean, however, that nothing has changed in terms of housing wealth and welfare. In Chapter 7, Kathrin Kolb and Sandra Buchholz focus on the development of social inequality in home ownership and housing values by means of an intra-German comparison. Using longitudinal (life course) data, they investigate the influence of central socioeconomic characteristics on the likelihood of being a home owner, the value of residential real estate and access to home ownership (in terms of transition rates) in East and West Germany. Even 25 years after reunification, home ownership rates and housing values remain markedly higher in West Germany compared to the eastern part of the country. With regard to being a home owner, the impact of labor market status, in particular unemployment, has increased during the time period under study, as has the importance of intergenerational transfers (only for West Germany). The main result with regard to the transition to home ownership is that for the youngest cohort studied, transition is not significantly lower in East compared with West Germany. This may indicate some convergence in home ownership processes. Notwithstanding the latter finding, the general picture suggests a growing influence of socioeconomic characteristics on (access to) home ownership and housing wealth in more recent times. For people with little education in lower-paid occupations, it has become more difficult to build up assets via home ownership, disadvantaging them in regard to welfare provision in later life. This is becoming increasingly salient, as pension benefits in Germany are contribution (or earnings-based), and therefore already quite stratified. Housing market inequalities are thus exacerbating labor market inequalities and stratification through housing has become more intense.

As demonstrated earlier (see Figure 1.1), transformations in the housing domain look very different in Eastern compared with Western Europe. Stephens et al. (2015) identify how the family increasingly protects people from the risks that either the state no longer tends to or are left uncovered by the market. Sustaining the family in taking on these challenges has been an extraordinarily high distribution of home ownership and housing equity among these societies. The diversity underlying 'super high' outright home ownership rates across former socialist countries since the transition to a free-market economy after 1989 is also quite striking. The final three chapters of the book focus on post-socialist countries in particular, illustrating the central and explicit role housing property has taken in the development of welfare systems in these contexts.

In Chapter 8, Srna Mandič and Maja Mrzel address the role of (family) housing (wealth) in the welfare of older people in post-socialist countries, starting from the argument that these societies are characterized by a structural 'old-age welfare gap'. The authors identify that welfare state arrangements in post-socialist countries have not been modernized in order to cope with demographic ageing, a societal issue located within the paradigm of 'new social risks' (see also Chapter 5). They explain the structural 'old-age welfare gap' in terms of the wider social costs arising from the transition to a free-market economy and political democracy after 1989 and the shock this presented. While economic restructuring and decline in welfare spending and programs had adverse social consequences, these were partly cushioned by the privatization of state-owned housing and the public pension system. Welfare system change was furthermore characterized by the growing significance of the informal sector, family and kinship networks. This chapter empirically explores the gap in old-age welfare provision across different European countries and welfare regime clusters (characterized by different levels of defamilialization of care in later life), as well as the potential of owned homes to help bridge this gap. The data presented documents substantial differences in the availability of old-age care services in post-socialist countries in comparison to the continental (especially social-democratic) countries, but also the potential role of housing in supporting older people. Nonetheless, while home ownership rates are often substantial, the incidence of unfit housing is high, as is housing suitable (or adaptable) to the needs of the aged (for example, for those physically impaired). What stands out is the high level of co-residence with adult children who can provide support but at the same time limits the options for consuming the housing wealth stored in the home. All in all, with the exception of the Czech Republic, the post-socialist countries examined in this chapter strongly resemble the Southern European situation and hence present similar challenges with regard to elderly care provision. Home ownership and housing wealth can only partly address some of these challenges.

The 'post-socialist' family is also the focus of Chapter 9. Jane R. Zavisca and Theodore P. Gerber trace the housing experiences of Russians since the collapse of the Soviet Union. In order to adequately explain the contemporary Russian housing situation, the authors make a distinction between residing in an owned home (de facto) and owning the title to a residence (de jure), as these two states do not always overlap. Put differently, not all adult household members necessarily share title, which may alternatively be shared with non-resident family. The chapter therefore draws on both qualitative and quantitative (life course) data in charting the structure of familial property rights and uses alternative measures of home ownership that are more consistent with local meanings. In their study, the authors found that although most people were living in privately owned homes, less than half of middle-aged urban adults had achieved ‘full’ ownership, with dispersed property rights often spread across a wide kinship network. High levels of co-ownership with extended family has produced intra-family inequalities that particularly affect younger generations, who have a hard time acquiring a home of their ‘own’. Charting paths into residence and property rights reveals extensive ‘behind the scene’ transitions in tenure and independence, which are often less reflective of one’s own life course transitions than those of other family members. The attainment of ownership in Russia is thus far less dependent on human capital or occupational achievements. Although market moves are on the rise among younger cohorts, this type of move is still far from the modal experience as most housing is still acquired – directly or indirectly – from the state or the family. Furthermore, the majority of changes in property rights over the past decades have been achieved without moving house. While state privatization is the main driver of transitions to ownership, family reciprocity is still the main means of transition to residential independence.

In Chapter 10, ‘post-socialist’ family-based housing provision is linked more explicitly to different types of housing inequalities and the potential (or lack of potential) for housing-based welfare strategies. Adriana Mihaela Soaita takes on the case of Romania, providing a long overview of the interrelated development of the housing system and the emergence of a family-based welfare regime. In doing so, Soaita traces the enduring legacies of historic forms of housing provision – pre- and post-communist – in the features of the current housing system. A critical outcome in this context has been the contrast between widespread debt-free home ownership (more than 90 per cent of Romanian households are un-mortgaged property owners) and the limitations of housing assets as a resource for family welfare. Specifically, housing access, quality and affordability, along with mobility practices, tend to undermine use of the owner-occupied home as a form of wealth that can be mobilized or monetized to provide for family welfare other than shelter. Soaita’s analysis also delineates between the two faces of inequality engendered by the contemporary Romanian housing system: exclusion and unequal inclusion. Regarding the financial possibilities facilitated by home ownership, *exclusion* distinguishes home owners from non-home-owners. While non-home-owners are generally taken to be renters and the homeless, the label can also refer to the many individuals living rent-free in complex family households without ownership rights. The category of *unequal inclusion*, meanwhile, highlights inequalities among owner-occupiers – not only in terms of housing quality and suitability to household characteristics, but also in terms of single- or multiple-dwelling ownership. The chapter concludes by arguing that the nature of home ownership in Romania affords passive and reactive approaches rather than proactive strategies for mobilizing housing wealth as a source of family welfare.

While there is no concluding chapter by the editors, John Doling provides a short Epilogue to the book. He critically reflects on the main findings from the different chapters and how they advance our understanding of the temporally and spatially contingent relationships between housing, housing wealth and welfare. The logic of property-based welfare seems to have spread – albeit in an adapted, more 'obscured' way (though more identifiable in terms of policies and other indicators than in terms of an explicit public debate) – from the English-speaking liberal countries to a number of Northern European countries of a more social-democratic nature. Apart from the inherent contradictions within the asset-based welfare approach identified in this introductory chapter, Doling points out that, in these countries, asset-based welfare strategies may be further compromised by stalling or falling home ownership rates combined with the increased concentration of housing wealth. In other settings, particularly post-socialist countries, housing-based welfare continues to revolve around the house itself rather than around housing wealth. Given that the family as welfare provider even seems to gain in importance over time and extends to new domains of welfare provision (for example, long-term care), this situation is likely to persist in the foreseeable future.

NOTES

1. In the UK, for example, the number of private landlords has more than doubled since 2002 (to 2.1 million in 2014), with the majority of rental properties now let by owner-occupiers who own just one or two extra properties (Lord et al., 2013).
2. However, welfare is also provided by other institutions such as the family, the market and civil society.
3. For example, see Wilensky (1975).

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