INTRODUCTION

How do we construct the housing question from a comparative perspective? How do we begin to map out variations over space and time in the processes that shape patterns of housing provision and housing inequalities? This chapter offers an introductory exploration of these issues. Initially, it outlines a general framework for understanding some of the special features of housing as a focus of social policy and government intervention. It then proceeds to define the nature of the contemporary housing policy debate, primarily but not exclusively in (post-) industrialized societies and outlines how this debate can be approached for purposes of international comparative research.

THE NATURE OF HOUSING AND THE CONTEMPORARY HOUSING POLICY DEBATE

Unlike policy areas such as education, health or social security, housing provision is most typically dominated by market processes in construction, use and exchange. Moreover, housing as a physical entity is immobile, generally durable and encompasses wide variations in style and function. As a social creation and in its everyday use it is intimately local and the key site of daily routine and family life. At the other extreme, investment in housing and the flows of funds into and out of the residential sphere have significant macroeconomic ramifications. Housing is both global big business and the private sphere of the home. It is pivotal to social status, processes of social and spatial segregation, and daily social interaction as well as a key sector in capitalist economies. Indeed, the state of the residential property sector is typically perceived to be a bellwether of the general health of national economies. A depressed housing market is likely to be associated with a general downturn in consumer and business confidence and symptomatic of wider economic problems. An upturn in property prices may be bad news for aspiring home owners but it generally signals and reflects a more optimistic economic environment. Indeed, various studies have indicated that a downturn in residential property values may

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impact more severely on the wider economy than falling stocks and shares (e.g., IMF, 2003, pp. 14–15).

After the turmoil of the global financial crisis of 2008, this may seem self-evident. But until relatively recently most analysts tended to be more concerned with the impact and influence of economic changes (say incomes) on housing markets rather than on impacts in the opposite direction. As more households became home owners, as housing equity accumulated during periods of house price inflation and as more investment poured into residential sectors there was increasing interest in the housing market as a major economic driver, especially in relation to consumption. Moreover, particularly over the decade preceding the 2008 crash, the housing market in many countries seemed to offer a degree of security amidst de-industrialization, volatile stock markets and uncertain pension futures. In 2005, in a special report on ‘the global housing boom’, The Economist (2005) noted ‘the increasing importance of house prices in the world economy’ (p. 73) and that ‘the housing market had played such a big role in propping up America’s economy that a sharp slowdown in house prices is likely to have severe consequences’ (p. 75).

We shall return to that prescient observation later. The key point to be made is that housing markets have moved to the centre stage of debates about the health or otherwise of the global economy, or in the current, post-economic crisis context, it might be more accurate to say that housing markets are thoroughly embroiled in debates concerning the future of neo-liberal capitalism. The dramatic slump in property prices in 2007/08 was preceded a decade earlier by the Asian Financial Crisis. That left much of the Asian region struggling to escape the aftermath of a financial crisis occasioned in great part by unregulated and over-exuberant investment in residential property development.

It is instructive, perhaps, that this chapter on the contemporary housing question has become so quickly enmeshed in the financial aspects. The discourse of booms and busts, positive or negative equity and the more arcane terminology of financial innovation that is now so pervasive is symptomatic of the more deep-seated transformation in the way housing is provided, and whose interests have become dominant. The housing policy debate and our conceptions of housing have become infused with the language of financialization. And it is a debate in which the interests of home owners and mortgage financiers have taken precedence over traditional housing welfare issues. Concerns with the homeless, the poor in need of some form of subsidized housing and with addressing the basic provision of adequate, affordable shelter for those unable to compete in the housing market have been sidelined. Why is this?

We can point to a number of factors that explain the tone of much of the
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contemporary housing policy debate. First, governments in varying economic circumstances and of varying political persuasion fully embraced individual, mortgage-financed home ownership as the most appropriate form of provision for the majority of households. Second, home ownership meshed most comfortably with neo-liberal economic doctrines and with fiscal pressures associated with the global competitiveness. Third, the rise of home ownership has meant that it has become in many national contexts the housing tenure of the majority, or at least the housing tenure of those with the greatest political and economic bargaining power. Fourth, and related to the previous point, those most in need of non-profit, social or public housing are usually poorer households on the margins of formal employment. They are typically a disorganized and fragmented grouping of those with limited political muscle in the so-called knowledge-intensive labour markets of the twenty-first century. Here, we are referring to minorities, often ethnic minorities, in core capitalist economies or to the disposable labour of large swathes of Asia and Latin America. Fifth, and as intimated above, the health of the residential economy has become increasingly important in what Boyer (2000) referred to as ‘property owning regimes’ – capitalist economies fuelled by spending power rooted in stocks, shares, bonds and housing equity. Mainstream political economy has now recognized the significance of residential assets in shaping political, social and economic landscapes. For example, work by Schwartz, Seabrooke and others (see, for example, Schwartz and Seabrooke, 2008) places the structure of housing finance systems at the core of their conception of different forms of ‘residential capitalism’. They argue, inter alia, that ‘housing finance systems can connect people to global capital flows and interest rates in a more direct way than tax systems, public debt, or employment’ (p. 242). The particular relevance of this body of work to social policy is that it reconnects to earlier debates associated with Kemeny and Castles, which focused on the connections between levels of home ownership and the nature of welfare systems (Kemeny, 1978, 2005; Castles, 1998), essentially, an argument that societies with high levels of individual home ownership have poorly developed welfare states. In this new formulation, however, home ownership is now embedded in the financialized world of securitization and derivatives.

Returning to house price movements, it is evident that key economic indicators such as retail sales and small business start-ups are intimately connected with the undulations of property prices. The effects of soaring or falling residential property values ripple positively or negatively through macroeconomies. And unsurprisingly, the price paid by governments for the promotion of home ownership and the retreat from state intervention in housing provision is a loss of direct control and leverage. This becomes
apparent when housing markets plunge into recession and home-owning households plead in vain for their governments to ‘do something’.

The financial aspects of housing, housing as exchange value and investment, have become therefore increasingly dominating influences in the housing policy debate. This trend is part and parcel of an apparently less benign world in which inequalities in wealth and income have been resurgent. The neo-liberal era, certainly since the 1980s, has seen widening income inequality. Intra-country inequality rose sharply in the late 1990s and, if anything, worsened in the 2000s (Cornia and Court, 2001; *The Economist*, 2010). This divergence of opportunity structures was particularly evident, in countries such as the USA and the UK, as tax regimes became less progressive and the demand for skilled labour rose relative to unskilled (Cochrane, 1993; Castells, 1998). These divergent trends in income and wealth were also strongly evident in the major cities of the capitalist core (see, for example, Hamnett, 2003). However, it is the rise of China that has had the major transformative effect on overall patterns of inequality. In the reform era of marketization and ‘opening up’, millions of people have been lifted out of poverty, thus reducing the overall pattern of global inequality. At the same time, China now has now one of the most unequal income structures and least affordable housing markets.

Temporally, we can detect a strong shift from the shape of housing policy of the post-World War II period in which the public sector was an important force in addressing absolute housing shortages and unacceptable housing conditions and opportunities. And spatially, the most evident patterns are ones of segregation and division, of concentrations of impoverished and disconnected communities paralleled by a trend towards defensive and defended communities of the rich (Blakely and Snyder, 1997; Atkinson and Flint, 2004). Between those two extremes lie the middle masses in varying states of relative economic security. This is, of course, a broad-brush description of the shape of housing and housing policy across the world but it is our starting point and one echoed by the various cross-national assessments by the United Nations Centre for Human Settlements (HABITAT). For example, in its 2010 report on the state of the urbanized world it observed that in contrast to the post-war period, few countries now provided government-supported housing to a wide cross-section of their populations. It may be argued, of course, that in many countries public housing provision on a broad scale is no longer necessary but the social consequences appear to have been generally negative. ‘The unwillingness to subsidize “unproductive” investment in housing is a consequence, at least in part, of the pressures felt by governmental leaders from perceived global competition; it has led to heightened segregation and inequality in housing provision around the
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In its end of decade assessment, UNCHS (2010) highlighted the continuing, if slowing, progress of urbanization worldwide – an urbanization characterized by complex and growing divides and divisions in which the right to decent housing remained key. Whilst many countries have made substantial progress in providing better quality housing, the world’s slum population has continued to grow by around 10 per cent annually. In that sense, globally, the housing problem is getting worse not better.

CONSTRUCTING THE HOUSING QUESTION COMPARATIVELY

It has often been said that housing is an essentially local issue. In the European context, it has been stressed that the pursuit of a common European housing policy is not only complex but also inappropriate (European Union, 1989). On the principle of subsidiarity, housing matters are best left to lower tiers of government that have the knowledge of local housing needs and requirements and of the shape of local markets to deal most effectively with housing matters. Certainly, in physical terms, dwellings are uniquely located. However uniform the design or layout, no one dwelling is exactly the same as another. Even in the apparently homogeneous environment of somewhere like Hong Kong with its blocks of pencil-thin skyscrapers, floor level and view distinguish one flat from another. People will often have subtle preferences that favour one property rather than another. Residential property markets may well be major elements of contemporary political economy, impacting globally on production and consumption, but housing is also an intensely intimate ingredient of our social life. Where we live, what we live in, who we live with, who lives beside us and how secure we feel in our residential surroundings are of utmost importance to our sense of well-being, belonging and identity (Savage et al., 2005). The house as home connects in a myriad of ways to all the other elements of everyday life. To be homeless is to be extensively disconnected and, in most cases, profoundly excluded from the social norms of the majority. In comparative terms these norms will inevitably vary as will definitions and experiences of homelessness. But we should have at the forefront of our analysis this pivotal role of housing as the receptacle for most of our material goods and many of our activities and memories. Major inequalities in housing provision thus resonate throughout social structures and social relations and it is for this reason that housing has so often been at the forefront of popular struggles for social justice (Castells, 1983).
In more general terms, when we are exploring housing issues comparatively both within and between nation-states, we need to take account of what will be a unique mix of ‘local’ ingredients. These will include the nature of the dwelling stock, dwelling quality, policy histories, institutional structures, demographic patterns, cultural norms and levels of affluence. For example, in one society there may be a rapidly ageing population living mainly in city apartments with a substantial public rented sector and a relatively underdeveloped mortgage finance system. This will present a very different set of policy issues and possibilities compared with a demographically younger society with a predominance of home owners living in family houses in suburbs with high levels of residential mobility and where employers are important providers of direct and indirect subsidies. This is not to say that there are such stark contrasts between actually existing housing systems but there are strong path dependencies in the options available to policy-makers. The dwellings produced and the policies pursued in one epoque will heavily circumscribe the shape of policies in the next.

One obvious example of this path dependency relates to privatization policies. The strong dose of neo-liberalism that began to impact on social and housing policy in the early 1980s promoted disinvestment in direct state provision and the sale of publicly owned dwellings to sitting tenants, other private individuals or to private companies. Both Ronald Reagan and Margaret Thatcher were strong advocates of such policies. However, the UK had a long history of direct housing provision by local authorities and a substantial stock of high-quality dwellings occupied by a large swathe of the British working class. There were attractive dwellings to sell and tenants who could afford to buy them. By contrast, US policy enthusiasm could not overcome the reality that their state housing represented minority provision for overwhelmingly poor, ethnic minority households. There were simply insufficient dwellings to sell, they were not attractive assets and tenants could not afford them. There can, therefore, be a convergence of policy discourse in very different contexts and with quite divergent outcomes.

Similarly, whilst there is a strong relationship between space standards and per capita income there is no necessary connection between GDP per capita and levels of individual home ownership. In Europe, Switzerland and pre-unification West Germany still have relatively low levels of individual ownership. The explanation lies in a particular policy and institutional mix that has not favoured mortgaged purchase to the same degree as in many other affluent (post-) industrial societies (Kemeny, 1995).

The housing question is constructed therefore in distinctive ways over space and time. There are both sharp contrasts and striking similarities
between the issues at the forefront of housing debates today and the policy preoccupations of the immediate post-war period. Perceptions depend on one's vantage point. Is our perspective on the contemporary housing question framed around a Birmingham, UK in 1951 or a Chongqing, China in 2011? What unifies these two locations is that they are quintessentially urban, and housing problems are primarily urban problems. This is not to diminish the significance of poor conditions and poor housing opportunities in more rural areas. But the majority of the world’s population now live in cities. Those cities are growing larger and more dominant. And as we move further into this century, housing policies in terms of design, location and quality are inevitably and increasingly connected to issues of environmental sustainability and quality of life. Governments in a variety of contexts and with different levels of resources face growing problems of overcrowding, traffic congestion, environmental pollution and energy conservation. Over half a century or so we can point to a significant degree of continuity in the nature of the housing question. Essentially, it has been associated with progressive but geographically uneven urbanization.

It is geographical unevenness in urbanization that means that the housing question looks very different in parts of Asia, Latin America and Africa than it does in Europe. There are sharp contrasts in understanding of how post-war housing issues have been transformed if we see them in relation to the UK or China – or Europe as opposed to Sub-Saharan Africa. From a Western perspective it has become a discourse of quality, gentrification, affordability and relatively settled urbanism. If housing problems remain they are either problems faced by poor minorities or associated with the vicissitudes of property markets – the booms and busts that produce winners and losers. However, in somewhere like Chongqing, there is a massive and growing absolute shortage of housing, poor living conditions and a large floating population of migrant workers without welfare rights. As Smith (2000) observed, seeing urbanization, industrialization and proletarianization as processes that happened some time ago is something of a Western conceit. Indeed, urbanization and proletarianization are now happening on a greater scale than ever. From a global perspective, it is the exponential growth rather than the reduction of the number of people living in urban slums that has been a defining feature of the housing landscape of the last half-century (UNCHS, 2010).

There are, therefore, rather different problems of mature urbanization in, say, Northern Europe as opposed to the exploding cities of Asia and South America. In the former there are particular problems associated with the ageing residential infrastructure of a previous industrial era and the task of retrofitting for a more carbon-constrained future. Processes
of redevelopment continue to have significant impacts on the social morphology of contemporary cities. However, in many of the rapidly growing cities of the so-called developing world rural–urban migration remains the dominant force for urban growth with associated street homelessness, shantyism and with serious problems of environmental health. The accelerated pace of urbanization and the commercialization of land markets in these parts of the world involve new pressures of eviction and displacement of vulnerable populations (see, for example, Pacione, 2001 for an extended discussion of these issues).

Thus, while housing standards in the core capitalist countries have improved markedly over the last half-century or so the continuing reality for millions across the globe is subsistence living, marginality and severe housing deprivation. In that sense a globalized picture of the contemporary housing question is not so different from one that would have been painted a century ago. The largest and fastest growing cities are no longer in Europe or North America but the movement of populations from rural areas into expanding cities with attendant changes in lifestyles, social practices, work environments and living conditions remains at the core of housing problems and debates.

The remainder of this chapter will concentrate mainly on issues of shelter and inequality associated with mature urbanization. In general terms the housing problems associated with older cities do not derive from rapid population expansion but from internal pressures of the expanding numbers of households and from more brutal competition for the prime residential space between the increasingly affluent and the increasingly disadvantaged (Marcuse and van Kempen, 2000).

The housing infrastructure of these older cities is facing new pressures of demography, competition for space between social groups and changes in working patterns and practices. The social and technological infrastructure required for the new informational age collides with a built environment constructed for a different set of social and economic conditions (Graham and Marvin, 2001). This tension between the fixity of the built form and the fluidity and volatility of social and economic change is not novel (Harvey, 1978). The residential sphere is in a continual state of recomposition. In the mature cities of the (post-) industrialized world the pressures on the housing stock derive from changes in labour markets, demographic ageing, changes in social behaviour and a new set of economic conditions that threatens to compromise existing housing institutions and practices. For the purposes of this chapter three particular issues stand out for further examination: social change and economic uncertainty; demographic ageing; housing commodification and social disadvantage.
Social Change and Economic Uncertainty

Residential property markets have become more volatile as general economic conditions have become less stable. The last few decades have seen more financial crises in which over-investment in property has often been centre stage. It is in this context that the conventional fissions between those who rent and those who own have become more blurred over time as many societies have seen a growth in individual home ownership. The development of more accessible forms of mortgage finance, state assistance to gain access to home ownership via low-cost loans or other indirect forms of financial aid and various privatization policies has involved a recruitment of households in a wide variety of economic circumstances. Mortgaged home ownership (to be distinguished from more historically rooted traditional forms of often rural home ownership) has come to encompass wider cross-sections of populations. In Great Britain, for example, home ownership grew by some 18 percentage points between 1970 and 1999 – from an essentially middle-class tenure to a form of provision that catered for the mass of the population. At the same time, the conditions that had fuelled the growth of home ownership in the post-war period gradually gave way to a rather contrasting set of circumstances. Put simply, a minority tenure associated primarily with younger households in relatively secure forms of white collar and professional employment in conditions of real income and GDP growth became a mass tenure of households moving across the life course in the context of greater social and economic uncertainty and volatility. Two points should, however, be emphasized at this juncture. First, we should be cautious about exaggerating the extent of this transformation in the UK or elsewhere (for example, see Doogan, 2009 for a sceptical view on contemporary change). The home-owning casualties of income or job loss or of severe housing market busts have in the main been relatively limited (so far). Nevertheless, housing problems that have in the past been primarily associated with the rental tenures have increasingly spilled over into home ownership. This has been evident in a number of countries where at different times there have been rising possessions, mortgage arrears and in the most extreme cases, homelessness. Whereas in the past social policy in housing has typically been preoccupied with assisting access into residential property ownership, the emphasis has now turned to issues of sustainability in relation to home ownership. Policy enthusiasm for ever higher levels of home ownership is now muted to say the least. It is now recognized that property ownership can create vulnerability rather than security and that the flow of movement between renting and owning is not necessarily all one way. Moreover, in many countries such as the UK and the USA the
home ownership sector is getting smaller, reversing decades of continuing if uneven growth.

In macro terms, across a number of societies, there is a complicated mix in the housing sphere of asset accumulation, asset devalorization, social and spatial exclusion and state withdrawal. A previous narrative of modernization and class mobility, in which rising affluence and a widening of employment opportunities, often associated with public sector employment, fuelled a middle-class expansion of home owners and has been transformed into a more confused and uncertain scenario. In Japan, for example, a long-standing period of asset deflation, employment loss and restructuring and an associated fall in property values has coalesced with, and provoked, new social divisions and cultural transformation. What Hirayama (2001) refers to as the previous ‘social mainstream’ of male-breadwinner households, corporate employment and family home ownership was a significant layer of the social glue of post-war Japanese society. The high price of Japanese housing had necessitated high household debt but in a situation where for the ‘social mainstream’ the salary levels of secure jobs rose with seniority, those debts were assumed to be manageable over a lifetime’s employment. In an economic environment where secure work and rising incomes cannot be assumed, rather different social configurations emerge. For example, rising female participation rates are partly fuelled by the necessity to maintain mortgage payments because of reduced or absent male earnings in the household. But that process is only one element in the increased role of women in the labour market. Similarly, more affordable housing enables groups previously excluded to access home ownership – most notably professional single women. The crisis in home ownership in these ways acts to transform previous gender relations.

Intergenerational relations also come under pressure. One cohort of ageing home owners has accumulated significant household wealth. At the other end of the life course, new entrants to the housing and labour market confront fewer job opportunities, less assured income progression and may adopt quite contrary housing strategies through choice or constraint. This is most evident in the falling levels of residential property ownership among younger Japanese and across many European societies (Forrest and Hirayama, 2009). Thus, on the one hand, youth are becoming more independent in their attitudes and social norms. On the other, and Japan is not exceptional, there is increasing dependence of a younger generation on the accumulated assets of their parents or grandparents. This tension between dependence and independence is evident among China’s youth. There are growing middle class aspirations for home ownership but most face unaffordable house prices in the major cities such as Shanghai and
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Beijing unless they can draw on parental resources (Forrest and Izuhara, 2009). In London, the global financial crisis of 2007/08 appears to have made little difference to the size of deposit required to get on the property ladder, around £40,000 on recent estimates (Williams, 2010). Few individuals or households are in a position to save this kind of sum without recourse to parents.

The severity and longevity of the recession in Japan and its distinctive social structure have made these transformations and tensions particularly notable in that society. However, in many societies the process of departure from the family home is being delayed and compromised. A long period in which each successive generation gained housing independence at an earlier age is, at least to a degree, in reverse (Datamonitor, 2003). Reduced state benefits for young people, longer and more financially onerous periods in full-time education, more precarious and lower earnings for those lacking the necessary skills and qualifications and housing opportunities more determined by market processes all combine to make the transition from youth to adulthood more problematic.

The particular impacts of social, economic and policy changes on the housing opportunities of young people point to a more general set of issues and relationships that are important in considering contemporary patterns of inequality and disadvantage in housing. Different cohorts in any population encounter different social, policy and economic environments in terms of housing opportunities. These cohort effects vary over both space and time. We can contrast, for example, a cohort entering the housing market under conditions of real income growth, strong state intervention, growing employment opportunities and high house price inflation. This cohort will then progress across the life course, encountering a distinct set of economic conditions and policy change. Under those conditions of entry one might expect a generally strong upward trajectory in their housing careers. Opportunities for house purchase might have been complemented by a relative abundance of public or non-profit housing, accommodating many of the housing needs of both low- and middle-income households. With direct and indirect financial support for both renters and purchasers, the risks of job loss or unexpected and damaging changes in financial or personal circumstances for this cohort are mitigated by a relatively high degree of security in housing.

We can contrast the experiences of this cohort with a group further back in the convoy. They may encounter a less benign environment with greater competition for jobs, a more uneven pattern of income growth within and between employment sectors, less state assistance for both renting and purchase within a general ethos of financial stringency and state cutbacks
and a property market that rapidly goes from boom to bust. Under those conditions, the prospect is of a more fragmented and unpredictable pattern of housing histories and trajectories, greater social and spatial divisions and less secure housing circumstances to mitigate adversity in other aspects of life. These contrasting sets of circumstances describe the kind of differences that are associated with cohorts that moved through housing systems during the period of general economic expansion of the 1960s and 1970s and a later cohort that has experienced the more deregulated, privatized and deflationary recent decades. There are, of course, major variations between societies, with similar cohorts passing through very different policy regimes and economic transformations. Nevertheless, it is as important to consider division across cohorts rather than simply within cohorts of the same generation when analysing contemporary patterns of housing inequality.

More specifically we can contrast an era where the conditions for the promotion of individual home ownership involved relatively affluent households experiencing rising real incomes, high inflation and job security, with the more recent era in which a more competitive, neo-liberal global capitalism has exerted downward pressure on inflation and state social expenditure, has been generally hostile to public sector employment, and sought a less regulated and less protected labour market. As has become abundantly clear, these are not the ideal conditions for home ownership. Home ownership has thrived in periods of employment stability and growth, high inflation and expanding public sector employment – fuelled by tax breaks and subsidized low-cost schemes. In such circumstances, borrowing is cheap and debts are quickly eroded through general inflation. Dymski and Isenberg (1998) contrast the ‘golden age’ with the ‘global age’ as being centrally about the breakdown of the varying social contracts that were brokered by governments in the post-war period. These social contracts encompassed ‘methods of providing adequate housing stock’ and ‘a set of housing finance mechanisms, including government transfers, subsidies and financial instruments and institutions for accumulating savings or taking on debts’ (p. 220). As they emphasize, each nation solved the problem of maintaining housing supply and providing affordable and available finance in unique ways. The most prominent examples of these ‘Fordist’ institutions were the major state providers of indirect and direct housing assistance such as British local authority council housing, the Japanese Housing Loans Corporation, the Hong Kong Housing Authority or the Northern Ireland Housing Executive. Such institutional forms have, however, rapidly shrunk or been abolished under the neo-liberal onslaught. Somewhat paradoxically, it is the Hong Kong Housing Authority that seems to have been least affected by
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neo-liberal doctrines – paradoxical, because it might have been expected that it would be in Milton Friedman’s free market paradise where public sector housing would be under greatest threat. The explanation for this has a number of aspects. For the purposes of this chapter, all that needs to be said is that public sector housing in Hong Kong is embedded in a very different institutional, political and social context than was council housing in Britain in the 1980s – demonstrating the value of comparative research in exposing the different meanings of apparently common labels and different causes and consequences of policy change.

Overall, however, it can be said that the social contracts of the past have given way to more diffuse and fragmented social arrangements in which risks are being increasingly individualized. In housing terms, Dymski and Isenberg usefully differentiate between entry risks, tenure risks and re-entry risks (p. 223). These risks tend to be associated with different life-cycle stages and to involve different forms of financial risk. The general point is that we have seen individual household exposure to all three areas of risk accentuated in recent years as social housing safety nets have been eroded and other forms of housing assistance have been withdrawn from home owners.

Demographic Ageing

Almost all societies are ageing. Demographic compositions vary and the pace of ageing varies but the trend is common and unambiguous. While historical and contemporary responses of market and state institutions to housing needs and problems have been enormously varied, demographic change presents a relatively common backcloth for policy development. The statistics are striking. The combination of fewer children and longer lives is producing major shifts in demographic structures. Writing at the end of the 1990s Fukayama (1999), for example, observed that ‘Some countries, like Spain, Italy, and Japan, have fallen so far below replacement fertility that their total population in each successive generation will be more than 30 per cent smaller than in the previous one’ (p. 39). At the global level, it is projected that the population aged 60 or over will rise from its current level of around 700 million to some 2 billion by 2050. As a percentage of the world’s population, this represents an increase from 11 to 22 per cent (Bloom et al., 2010). It is Japan that will remain the most extreme case of societal ageing. In the next 40 years it is projected to have a population more than 25 per cent smaller, with 40 per cent aged over 65 (The Economist, 2010). Regionally, however, it will be Europe that is most affected by these changes. By 2060 a third of the population of the EU-27 is expected to be aged 65 or older, with Southern European
countries such as Greece and Spain having the older populations (Thorns, 2002; Commission of the European Union, 2009). These trends have major implications for, inter alia, labour supply, pension and social security arrangements and for intergenerational dynamics and relations (Commission of the European Union, 2005).

Housing policy-makers in the post-war period were faced with a rather different demographic scenario in which a severe absolute shortage of housing meshed with a baby boom and a rapid increase in the need for family housing. In the contemporary world, falling birth rates, greater longevity and diversity of household structures and the ageing of the large cohorts of the post-war baby boomers place new pressures on housing systems. These pressures include issues of design and adaptation for the very elderly (the post-1918 boom generation), different locational priorities for households when children leave home and as they enter or near retirement, the costs of maintenance and repair of dwellings and the differential resources available to an ageing and longer-living generation. It is this latter issue that is of most relevance to us. And it is relevant in a number of ways. For most households their dwelling is their principal cost and, for home owners, their principal asset. The housing circumstances of the older generations also impact on their younger counterparts. Parents who are relatively well housed may provide an important resource for their children, either directly as somewhere to live if independent accommodation is unattainable or indirectly through cash gifts and loans to enable that independence to be achieved. Conversely, children may find their parents in need of their direct or indirect assistance in housing terms. Where government resources are less freely available to provide assistance for disadvantaged households, the family becomes a more important safety net.

An ageing population enters retirement with a highly differentiated portfolio of resources to draw upon. Some will have generous occupational pensions, significant savings and valuable, appreciating dwellings. Others will be life-long renters, dependent on small private or state pensions or social security and have virtually no savings. Moreover, as the ageing population itself ages, it is inevitable that an increasingly higher proportion will be female. The prospect is therefore of rising gendered poverty in old age given the generally weaker financial position of women in the labour market (and thus beyond) and the prospect of depleted incomes with the death of a male spouse. These asset portfolios have been thrown into further disarray in the wake of the 2007/08 financial crisis in which the value of pensions, savings and properties have all been compromised. The direct and indirect impacts of the crisis were not confined to younger households with a mortgage. Some elderly home owners have
been faced with a significant devaluation of their housing assets combined with a loss or reduction of other income streams.

The broader consequences of societal ageing on housing inequality will depend on the particular mix of institutional arrangements in place. As in any area of social policy, there is no inevitable determinacy of demographic change. Secure, low-cost and high-quality rental options may be available. The overall proportion of relatively affluent home owners in a population may be substantial. Mortgages may have been paid off and housing costs will be minimal. Social security and pension provision in old age will also vary.

While the most prominent fault lines of housing inequality in old age are most likely to remain between those who own and those who rent, poverty and disadvantage will not map neatly onto such a divide. In the UK, for example, the growth of home ownership, which was particularly marked from the 1950s to the 1990s, has meant that the level of residential ownership has steadily risen in the older age groups. Even if recruitment into home ownership is falling among younger households, the rate of elderly home ownership will continue to rise as baby boomers age. The increase will be particularly marked among those aged 80 and over (Forrest and Leather, 1998). Moreover, the number of older, single-person home-owning households aged 80 or over will rise significantly, the majority of which will be women. A similar trend can be observed in the USA where ageing home ownership among elderly households serves to mask the extent to which home ownership rates are falling in the younger cohorts. A striking feature of the USA is also the way in which race cross-cuts demography, housing tenure and housing wealth. Stated simply, it is the white population that is ageing rapidly, they are disproportionately home owners and their properties are disproportionately valuable (see, for example, Shapiro, 2004).

Burrows (2003) examined the relationships between poverty and housing tenure in Britain and found that whilst the incidence of poverty was higher in the rental tenures, the absolute numbers were greater in the home ownership sector. This was a function of the sheer size of the home-owning population. His research did not highlight old age as a particular dimension but outright owners (who are most likely to be older households) accounted for some 15 per cent of households in poverty. The incidence of poverty among home owners is particularly associated with those with a manual socioeconomic background, black and ethnic minority groups, lone parents and the divorced and separated. As a more diverse home ownership sector ages, the incidence of poverty among ageing home owners will inevitably increase with the need for new, tailored policy responses.
Moving Targets: Housing Commodification and Social Disadvantage

Much of this chapter has concentrated on difficulties associated with access to and survival in the home ownership sector. Historically, however, housing problems have been associated with the rental sectors. This emphasis on mass home ownership reflects the shifting terrain of the housing problem. In the pre- and immediate post-war period the ‘problem’, certainly in the European context, was most closely associated with private landlords and private landlordism. This is understandable since it was the majority tenure. The last half of the twentieth century, however, saw a decline of private rental sectors in many countries paralleled by the rise of other forms of provision in the forms of social renting and mortgaged home ownership. The extent of the decline and the growth of alternative tenures varied substantially between nations. But lack of investment and deteriorating housing conditions, deficiencies in institutional capacity to respond to rising expectations and rapid urbanization, difficult landlord–tenant relations, policy and subsidy support for other forms of provision and more attractive forms of investment all contributed to the sector’s decline. The UK was one of the extreme examples. Private renting accommodated more than half of all households in 1951 but just over 7 per cent in 1991. In other countries, the downward trajectory may have been less steep but the direction of change was similar. Private landlordism was widely seen as an anachronism, a feudal hangover that was on its way out. In 2011, a different kind of global financial hangover has rather reshaped trends and expectations and private landlordism is seeing something of a revival. Indeed, it may well be the fastest growing tenure in some countries. This development will be returned to in the concluding section.

The changed political and economic climate of the post-World War II world combined with the necessities for extensive reconstruction and upgrading of the housing stock saw greater support for direct state intervention in the housing market. The particular housing policy pathways pursued by different governments in the capitalist core countries of Western Europe, North America and Australasia require, however, detailed exploration beyond the scope of this chapter. For example, Harloe’s (1995) examination of the rise and fall of social renting shows how the shaping of housing policy is embedded in specific political, economic and institutional circumstances. These varied conditions explain the uneven growth and varied forms of social rental sectors and the relative importance and survival of private landlordism. In this context we can contrast, for example, the former West Germany and the Netherlands. In the mid-1990s both were notable for having a majority of households in the rental tenures. However, 74 per cent of German tenants were in the
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private sector whereas 78 per cent of Dutch tenants were in the social rental sector (Freeman, 1997). But such crude labels conceal complicated definitional problems that are discussed elsewhere in this book. It is, for example, debatable how private a rental sector is when a significant level of government subsidy and regulation is involved – as was the case in West Germany’s post-war private rental sector arrangements. Nevertheless, the general direction of change through most of the post-war period was from a situation in which households paid rent to a private individual or company to one in which an increasing proportion of households pay off a mortgage borrowed from a bank, insurance company or specialist housing finance institution. In addition, and in parallel, social or public rental sectors have in some contexts provided significant rental opportunities on a non-profit basis.

These developments can be understood theoretically as a progressive shift from one form of market-based provision (private rentier capital) to another (mass home ownership). At this level of abstraction, it can be argued that the role of direct state intervention in housing can be seen as performing an enabling and facilitating role during this process of transition (Harloe, 1995). Empirically, this process of commodification (Forrest and Williams, 1984) or re-commodification (Harloe, 1981) can be seen in the post-war expansion of public rental sectors in the European context at a time when the social and economic institutions were not capable of delivering home ownership to the majority of the population. Subsequently, as conditions changed, processes of privatization and deregulation signalled the maturation of this new form of mass provision and the progressive demise of mass public housing. Harloe (1995, p.6) in his discussion of developments in Europe and the USA refers to this ‘golden age’ of direct state intervention in housing in the following terms:

The third, relatively decommodified form of large-scale provision, social rented housing, was seen as the product of a relatively brief period, notably the years after the Second World War, when the private rental market’s inability to provide mass housing was already well advanced (and made worse by the effects of war), but when the necessary economic and other conditions for the growth of mass home ownership were still absent from the societies in question.

Over time, therefore, disadvantage rooted in income, gender, ethnic and class inequalities has been overlain on a shifting terrain of housing provision. Housing poverty has at different times been most strongly associated with residual private rental sectors, residual public or social rental sectors and has now spilled over into mass home-ownership sectors.

This takes us to the 2007/08 global financial crisis in which home owners and mortgage markets were at the centre of the drama, in relation to both
cause and consequence. It also takes us back to earlier remarks concerning financialization. There had been financial crises before and there had been home ownership casualties before. However, the most recent crisis was deeper and more pervasive and has raised fundamental questions about the sustainability of home ownership for some groups of households and how and where states should intervene when there is severe market failure. It was already evident from previous crises that governments that have promoted more market-oriented housing forms of provision can find themselves relatively powerless when a price bust sends values tumbling. When negative equity hit the economic heartland of the UK in the late 1980s and early 1990s, the government soon found itself up against the boundary of legitimate and feasible intervention. Home owners demanded solutions and policies but little could be done other than wait for more benign market circumstances. Similarly, when home owners in a similar predicament took to the streets in Hong Kong in the late 1990s with placards proclaiming ‘Save Us From Negative Equity’ the only response was to progressively cut public housing and subsidized home ownership. The developers may have benefited but some home owners were still waiting for prices to recover some years later (Fung and Forrest, 2002).

The so-called financial tsunami was on a quite different scale with major institutional casualties in the housing finance sector and widespread household stress. The threat of systemic collapse forced governments to bail out banking sectors but with some minor exceptions, home-owning households were left on their own. It is neither appropriate nor possible to delve much further into the background to the sub-prime/credit crunch debacle given the broad focus of this chapter (see, for example, Friedman, 2009; Stiglitz, 2009; Wade, 2009). From a comparative perspective, the key point is that the impact was highly uneven within and between different housing markets. The explanations for this unevenness lie in a combination of social, economic and institutional factors and require a path-dependent perspective (Forrest and Yip, 2011). Moreover, the severity or otherwise of the impact does not map neatly onto ‘welfare regime’ or ‘residential capitalism’ (Schwartz and Seabrooke, 2008) type schema or more simple measures of degree of commodification such as the level of home ownership. For example, there was not a common liberal, Anglo-Saxon experience – the Australian or New Zealand experience contrasts with that of the UK or the USA. What can be said, at least in housing market terms, is that it was European countries that were most directly affected by the immediate fallout from the sub-prime crisis and credit crunch. The impacts in Asia and Australasia were generally indirect and less severe. Even Japan fits this pattern as the most recent crisis merely exacerbated an already depressed and vulnerable housing market rather than provoking a
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new crisis. Whilst it is not the case that all European housing systems were heavily immersed in securitization, it is certainly the case that Asian ones were not.

What is generally evident is that a set of new risks and vulnerabilities have been exposed, particularly in home ownership markets where mortgages have become most extensively commodified through securitization and associated financial products. Stated simply, the solution to the affordability problem is evidently not more liberal lending to households that are unlikely to be able to repay the loan. All this raises new issues for governments for whom the promotion of home ownership has been the pivotal element of housing policy. It also exposes governments to the political impacts of widespread mortgage payment defaults among home owners or a rise in homelessness among former owners. Arguably, such developments have more damaging political repercussions than similar plights associated with poorer renters.

Against this background it is evident that housing and social welfare policies in countries with dominant home-ownership sectors will increasingly have to address issues of social and economic stability for home owners in general rather than being targeted on first-time purchasers or those seeking to buy. The physical deterioration of older established owner-occupied areas is also a growing problem. Policies to dispose of public housing in countries such as Great Britain, Northern Ireland and in many former state socialist societies (Hegedus and Struyk, 2005) produced a sharp rise in the home-ownership levels, in the number of low-income home owners and, typically, in the number of properties with substantial repair and maintenance problems. The coincidence of these developments will inevitably lead to pressure for new policy interventions in the future. Indeed, the existence of large numbers of poor home owners in low-value, poorly maintained properties was an evident policy issue, with significant expenditure implications, when the EU became a group of 27. Many of the new member states were former state socialist societies in which there had been a mass transfer of the responsibilities and risks of property ownership from the state to individual households. There are also the risks associated with changing climatic patterns and, it seems, more frequent, ‘natural’ disasters. Accelerated urbanization and rampant commodification have combined to produce more home owners living in vulnerable coastal locations.

Outside increasingly differentiated and higher risk home-ownership sectors are the deeply entrenched pockets of poverty most closely associated with, but not confined to, rental sectors. This can be perceived as the traditional housing problem of poor people unable to access mainstream housing. Previously, privatization programmes, build for sale policies and
low-cost access schemes enabled many poorer households to gain home ownership status. But the promise of progressive recruitment to home ownership has been compromised by decades of neo-liberal policies. These subsidized routes into home ownership were generally victims of the new market orthodoxy, and the sub-prime crisis put paid to the alternative, market-driven route into home ownership.

Those households unable to access home ownership may end up channelled into downgraded forms of public housing provision, often in badly serviced, high-rise, peripheral locations. Alternatively, they face prolonged intergenerational sharing or low-quality, overcrowded private renting. These excluded spaces take different forms over time and societies. Wacquant (2008) describes a process of ‘advanced marginality’, of cities experiencing a new era of urban outcasts. A decade earlier Castells (1998) referred to a ‘fourth world’ and ‘multiple black holes of social exclusion throughout the planet’. While whole areas of Sub-Saharan Africa and Latin America fell within the scope of his description he emphasized that they were ‘present in literally every country, and every city, in this new geography of social exclusion. It is formed of American inner city ghettos, Spanish enclaves of mass youth unemployment, French banlieues warehousing North Africans, Japanese Yoseba quarters, and Asian mega-cities’ shanty towns’ (p. 164).

The housing issues are, of course, very different for workers being drawn into the factories of Asia or Latin America, often women moving from rural areas, than for their disadvantaged counterparts in the generally affluent, industrialized world. But proletarianization and de-industrialization are two sides of the same coin with different geographies – low-quality dormitories in one location and deterioriating housing estates in the other. As always, poor housing in poor locations is merely a symptom of wider processes of disadvantage and discrimination and of the shifting tides of capital accumulation.

In de-industrialized, service-sector-intensive economies it is difficult to see where new opportunities will arise for those with the least marketable skills. Sections of populations face growing housing disadvantage because they confront housing sectors that have become more market based in conditions of falling real incomes. These developments have created major challenges for policy-makers in many countries. The policy trend in countries such as Britain and France has been to seek ‘joined up’ interventions, with housing provision being part of a wider set of policy initiatives in which employment creation, educational investment and improvements in health and the general environment are all part of the regeneration strategy. Unfortunately, the creation of employment opportunities is usually swimming against the tide of global economic trends. Jobs fail to
appear, the housing stock continues to deteriorate and such areas become policy-intensive special cases full of state, quasi-state and voluntary organizations – progressively devoid of shops, banks and the other retail infrastructure of mainstream economic life.

CONCLUDING COMMENTS

This chapter has attempted to provide an overview of the changing contours of housing inequalities and disadvantage. It has stressed the need to appreciate the specific policy, institutional, cultural and economic contexts for housing provision and housing opportunities in particular societies when cross-national research is being undertaken. It has also highlighted some key ‘drivers’ of housing policy change, particularly the ageing of societies and the more fragile relationship between the promotion of home ownership as a common policy goal and the shifting economic fortunes of national economies and the global economy. Residential housing has been at the centre of major financial crises, notably in Asia in 1997 and in the European/North American version a decade later. At the time of writing, the impacts of the most recent and most serious crisis are still rippling through national economies – and posing serious questions for housing policy-makers and for the neo-liberal model that has dominated for the last three or so decades. It would be premature and extremely unwise to talk of post-home-ownership societies and a crisis of neo-liberalism. Nevertheless, home ownership has clearly lost some of its sheen, and particularly among younger and lower-income buyers. Private renting is back in fashion, at least to a degree. Even state housing provision, albeit in new forms, is making something of a comeback, notably in countries such as South Korea, which has embarked on an ambitious new build programme. The global financial crisis woke up some governments to the need for social safety nets in which low-cost, secure housing is a critical element. The Economist (2011) captured the new mood in a special supplement titled ‘Bricks and Slaughter’ in which it refers to the increasingly dangerous and risk-prone nature of residential property as an asset.

In this higher-risk context new fault lines are emerging in relation to housing experiences and housing opportunities – between generations, between classes, between places and between the very rich and the rest. These fault lines are, however, shaped in socially distinct ways by particular policy regimes, cultural traditions and institutional histories. While the policy orthodoxies of global players such as the IMF and the World Bank have produced some commonality in policy responses to contemporary housing needs and inequalities, it remains the case that housing policy
remains overwhelmingly national or even local in character. It is also the case, however, that the scale and volatility of financial flows is producing new challenges for national governments. Even after the recent depreciation of residential property, it has been estimated that in the ‘rich world’ this asset class is still worth some $52 trillion dollars (The Economist, 2011).

Governments will face different housing challenges that will include the problems generated by both rapid depreciation and appreciation of property values, deeply entrenched enclaves of housing poverty in many Western cities and the environmental and social impacts of rapid urbanization in Asia and Latin America. For any comparative analysis of housing inequalities and policy the imperative is to fuse an understanding of the ‘global’ with a subtle and nuanced account of the ‘particular’. That demands an analytical approach that identifies the key drivers of social change with a sensitivity to factors such as family and cultural tradition, institutional linkages and the historical evolution of housing policy debates.

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