

CHAPTER 2

COMPARATIVE RESEARCH AND STRUCTURES OF HOUSING PROVISION - A METHODOLOGICAL DISCUSSION -

This chapter focuses on the theoretical and methodological framework upon which this thesis is founded. Two areas of sociological housing research are at the centre of this framework, cross-national comparative studies and the concept of structures of housing provision. First something is said about how comparative analysis has been used in housing studies and what I think could be the contribution of cross-national analyses. In my view this contribution is not the testing of nationally derived hypotheses, models or theories. This would lead to statements which are much too general or abstract having little explanatory value. Instead, comparative research could contribute to developing theoretical frameworks which might lead to a better understanding of housing markets and policies than would generally be obtained from the study of national housing systems. Many of the features in national housing systems, such as subsidy systems or tenures, are rarely questioned and are usually taken for granted. The main part of this chapter, however, deals with a presentation of the concept of structures of housing provision as developed by Ball (1983, 1986) and develops this concept further by making a distinction between forms of housing provision (FHP) and social relations of housing provision (SRHP). This expansion of the SHP concept is based upon the results of this cross-national study of owner occupied housing markets. It was necessary to develop an understanding of international differences of, for instance, the relation between types of owner occupied housing markets and the structures of housing provision that are attached to them. A second reason for introducing the distinction between FHP and SRHP is that it allows study of how structures of housing provision change with time.

2.1. The use of comparative housing studies

International comparisons are a recent growth area in housing research. Renewed interest in the development of housing markets and policies in other countries has led to new forms of international collaboration and a range of internationally oriented research projects. Familiarity with many of the peculiar aspects of other nation's housing systems has grown amongst housing researchers. Most contributions are, however, not much more than descriptive

accounts of national housing systems or aspects of these systems and can, therefore, not be defined as comparative. Such reports are often commissioned by governmental bodies or international agencies like the OECD or the EEC. In the sphere of academic research a range of edited books have been published which mostly provide country by country accounts of, policy related housing issues (cf Wynn, 1984; Turner et al, 1987; van Vliet, 1987). Lively debates have also developed amongst those who, via cross-national comparisons, are interested in developing an understanding of housing systems and how they change. These discussions focus on those theoretical concepts and methods which will be most helpful in dealing with the complexities of comparative research (see for instance Harloe and Martens, 1983; Pickvance, 1985, 1986; Harris and Pratt, 1987; Kemeny, 1987; Oxley, 1989; Lundqvist, 1990; Rouanavaara, 1990 and the contributions to be found in a forthcoming special issue on comparative housing research in the Scandinavian Housing and Planning Research).

Although some seven years have passed since our review of comparative housing research (Harloe and Martens, 1983) and many new publications on the subject have emerged, the main points of our critique on these type of studies remain relevant. One point we made is that international comparative housing studies tend to over-emphasise policy analyses and concentrate on the distribution and consumption of housing, whilst giving relatively little attention to housing market processes. This is despite a recent shift in research interests towards private markets: surveys of owner occupied housing markets also tend to overemphasise aspects of housing policy and housing consumption. Two themes receive particular attention here, namely the effects of state subsidies (and policies in general) on expanding the owner occupied tenure and the distribution of access to the tenure.

There are a number of reasons for emphasising policy issues in housing research. One reason relates, of course, to the interest policy-makers (and the researchers informing them) have in comparative studies. Some students are concerned with policy innovations and their transference to other countries (see Harloe and Martens, 1990 for a discussion). The main reason for the orientation on housing policy and consumption issues in academic housing studies derives, however, from the theoretical perspectives and assumptions upon which they are based. Politically these are linked to reformist perspectives associated with social democracy and liberal ideology (Headey, 1978). Theoretical positions are often adopted from perspectives and assumptions of the structural-functionalist sociology (cf Donnison, 1967;

Fuerst, 1974; Headey, 1978; Duclaud-Williams, 1978; and Donnison and Ungerson, 1982). One of the assumption within this perspective is the role of the -benevolent-state in achieving equal housing opportunities for all households. The function of housing research is then to assess social inequalities and those achievements made towards improving fairness in the housing opportunities of households. Topalov (1979) has summarised this point well, by suggesting that with choosing housing policies as an object of research most studies do not question the nature of the state housing policy.

A second point of critique of many comparative housing studies also relates to the theoretical concepts they are founded on, but focuses on notions about how these concepts should be developed. The housing researchers falling within the reformist school (see above) have often theoretically adopted a pluralist analysis of political power and assumptions associated with what has been called convergence theory. It is founded in the idea that all societies progress with industrialisation and urbanisation towards a system of mixed economies. For reformists/pluralists (or liberal/interventionists) evolution will be towards realising greater social equality, whilst the marxist-inspired researchers see inequality grow, as developments in housing markets and policies favour interests associated with capital accumulation. Much of the marxist inspired research of the 1970s also focused on the role of the state in housing studies, changing the liberal-interventionist parameters to ones that place housing policies as a function of interests associated with capital accumulation and class (cf Ginsburg, 1979; Grüber, 1981). In both perspectives ideal constructs and universally applicable hypotheses are used and projected to test empirical cases. We have criticised the imposition of categories deriving from pre-conceived and abstract theories on empirical cases extensively (Harloe and Martens, 1983; see also Ball and Harloe, 1990).

A recent example of applying convergence theory in cross-national housing research can be found in a conclusion of the study of Willmott and Murie (1988), as praised by and quoted from Oxley (1989). "The main conclusion of the cross-national comparison is that in both countries the problems result not from particular procedures of institutional structures but from fundamental trends, fuelled by governmental policies which, in both countries are inequitable in their treatment of renting as against owning." For them, polarisation between tenures is the same in both countries and both need to make radical reforms to their housing policies. With this level of generality this conclusion is almost a non-statement. It confirms the persistence of convergence theory, which assumes that in all societies social change is

generated by industrialisation or capital accumulation (the fundamental trends of Willmott and Murie), which would lead to all societies developing a more complex and diverse social structure and to a convergence between societies (Harloe and Martens, 1983).

A third aspect of critique of comparative studies concerns how a theoretical, pre-conceived concept such as convergence theory, is applied. The level of generalisation or abstraction which is (or can be) employed in comparative studies clearly becomes a problem. Pickvance (1986), defining abstraction as "how much of the social whole can be ignored when studying a topic", criticises positivists for the degree of simplification employed by them, often reducing societal variables to levels of urbanisation, industrialisation and state policies. Apart from those working from positivists perspectives, others also reduce much of comparative research to these hypotheses or model testing types of exercises. Still others introduce a greater complexity by proposing the simultaneous use of a range of explanatory models (or hypotheses) (for a review which falls within this perspective see Pickvance, 1986).

Kemeny (1987) is also a proponent of theory testing applied within the convergence theory perspective. In defence of his work following a critique on his work by Hayward (1986) he discusses the Provision Thesis, which he criticises for not being a housing theory, but "a general injunction to use Marxist analysis" (p 259). Instead, he argues, one should apply a theory, Marxist or other, to housing. "To theorise housing it is necessary to draw on the theoretical frameworks which have been developed in different disciplines" (also p259); In other words, Kemeny (like many others) proposes to detach that what is being studied, in his case housing policies and consumption, from the theories that explain them. This brings Kemeny's work very close to the theoretical explanations and research applications such as the ideal constructs and universally applicable hypotheses of the 1970s marxist or liberal interventionists (Harloe and Martens, 1983; Ball, 1988b). A degree of generalisation is already built into these pre-conceived theories and leaves little space for more detailed analysis for instance beyond the parameters of what are considered housing policies or tenures. Because of this high degree of generalisation conclusions tend to confirm convergence theories.

Instead of looking for direct applications for theories of social science, Dickens et al (1985) search for underlying regularities which are structural for the dynamics of housing provision under capitalism. These dynamics, they conclude from their comparative study of Sweden and Britain, are given by the level of productivity in the building industry. Actual variations are explained

by historical accident and a particular political process. The result is a narrowing of explanation to rather simple causalities and a tendency to look for solutions at the level of the hypotheses that are associated with these limited explanations. In their study they conclude that the development of productivity in building is held back by land speculation: ending land speculation can, therefore, restate rational capitalist development (for a discussion see Ball, 1988b).

Both studies are important examples of recent comparative research and are illustrative of the problems one is confronted with when developing this type of analysis. From different starting points they illustrate the problems one is confronted with when trying to relate empirical cases to theoretical generalisations. This theme is also discussed by Harris and Pratt (1987) when they discuss the study of the owner occupied housing tenure in relation to class. They argue for maintaining "a dialogue between the extremes" (p19) of theoretical discussion and close empirical research. They then propose adopting a contextual or synthetic approach, which would imply not separating or abstracting home ownership from its context. But how to go about doing this is left to the researcher. Harris and Pratt propose including almost every imaginable aspect into the study of class and tenure, the changing nature of household, the structure of housing demand, the organisation of production and finance or cultural factors, they hand over "the substantial task of synthesis" to the researcher. No indication is given how each of these contextual aspects actually relate to the process of housing provision. They only suggest that, as housing is part of a larger social context, a synthetic perspective needs to be complimented by theoretical tools which have been developed over the past decades. The statement is far too general for use as an example for conducting comparative research. By developing the SHP concept, as discussed below, I hope to present a guided theoretical framework for linking a system of housing provision, or aspects thereof, to the context in which they developed in cross-national studies.

The inclusion of the SHP concept in comparative housing studies is also proposed by Lundqvist (1990) in combination with the 'power resources' approach to politics. In this paper Lundqvist makes a strong case for focusing comparative housing studies on policy, but without isolating housing policy from the housing sector as a whole. "The theoretical and empirical challenge of this model is to hypothesize and falsify/verify systematic relationships between the different social relations of housing provision and political parties with different 'power resource' bases on the one hand and the content of housing

policy on the other." But the significance of Lundqvist's model for comparative housing studies cannot yet fully be grasped as the concept of structures of housing provision is still rather undifferentiated and the concept has not been used in an actual research programme (at least as far as I am aware). What is important however is that this research model tries to create a direct link between the object of study, housing policies, and the context in which these policies developed: instead of considering this context as an external variable do structures of housing provision provide the structural context for housing policy.

The subject of this thesis is not housing policies, but the question of which elements help to structure and change owner occupation in a number of western societies. Housing policies are one of these elements and as such are included in the concept of structures of housing provision. Housing policies will be an important focal point in housing studies, because conscious alterations in the operation of housing markets can only be realised through policy decisions.

The contribution comparative research can make depends on the aims attached to it. In this study of owner occupation, aims do not link to pre-conceived ideas about the desirability of home ownership and the need to expand the tenure for all households. Instead, it aims to provide a general survey of elements that have helped to structure the tenure, and access to the tenure, with the use of international comparative analysis as the main method. The two principle advantages of international comparisons we identified earlier (Harloe and Martens, 1984) are still relevant: first, it can act as a heuristic device, questioning old concepts and modes of thoughts (for instance with respect to tenure), whilst introducing new ones; and second, it allows for generalisations about broad factors which help to structure housing markets and policies (p272). The further development of the concept of structures of housing provision as presented below, is largely the result of this use of the comparative research method.

2.2 Structures of Housing Provision as a Theoretical Concept

This section will develop the concept of structures of housing provision (SHP) as originally suggested by Ball (1981; 1986) by placing it in a context that is of use for the comparative analysis in later chapters. Ball defines a structure of housing provision as consisting of the interrelation between the physical and social processes of housing provision (see especially Ball, 1986). At a general level, structures of housing provision are defined by the

institutions and agencies participating in the process of housing provision, which refers to processes of production and reproduction, exchange and consumption of housing, and the social relations between these participants. This definition has a number of aspects:

i) The physical aspect of housing provision: building, repair and maintenance, allocation and use are some of the most important elements. To these could be added design or the adaptability of housing plans to changing household composition, lifestyles, etc. Obviously, these physical aspects of housing provision will vary with climate, location and terrain. The needs of shelter in a tropical country differ, for example, from those in a temperate one (Ball and Harloe, 1990). Housing in the West of the Netherlands incurs larger infrastructure costs because of poor soil and natural drainage conditions compared to say to the heavy clays of South Essex. Physical aspects of housing provision may also vary with how the housing is expected to being used. The quality and the appearance of housing is different when it is only required for temporary shelter, as is indeed often the case for those at the bottom of the owner occupied housing ladder, from when the housing is regarded as a life-time investment. In the latter case the physical appearance can vary from the half finished -iron reinforcement sticking out the concrete on the roof- to the iced cake looks of the dream houses.

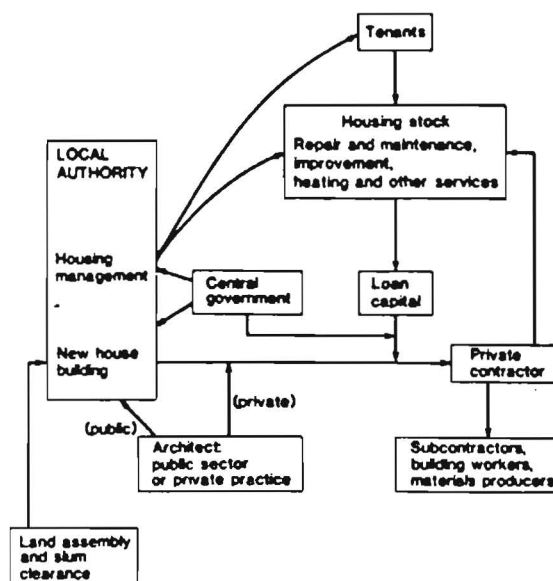
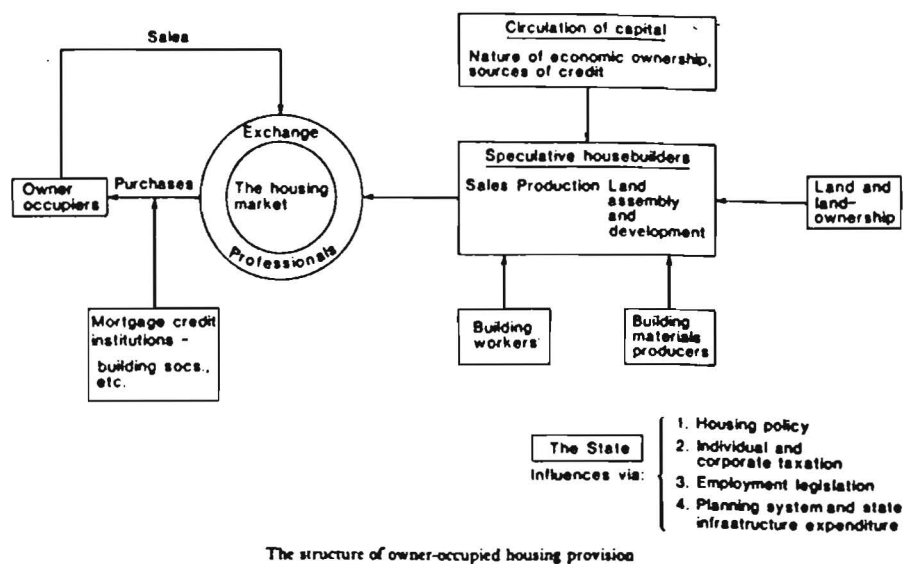
ii) The physical aspect puts constraints on the viable social relations of housing provision: some forms of housing provision require complex organisations of housing finance, whereas others do not. A contrast here could be made between middle class housing in many third world countries and the most meagre shelter of the poor (Ball and Harloe, 1990). The argument can be extended to other parts of the provision process - repair and maintenance even in advanced countries does not require much fixed capital and so can be done by individual builders or small firms; whereas large scale housing projects especially when they use advanced technologies need large firms to own and use the necessary fixed capital (Ball, 1988).

iii) The social relations in housing provision are defined in terms of the links between the agents involved in the whole process of provision. These social relations can be shown in a diagram. For example, Ball (1983 and 1986) shows the SHPs for owner occupation and council housing in Britain during the 1970s and 80s (reproduced in figure 2.1). The diagram is a useful description of some of the elements of an SHP but by themselves do not adequately elaborate the SHP concept. Visually the process of providing new housing, as

opposed to the system of housing provision as a whole, is the most extensive in the diagram. This seems to have encouraged the criticism that production would be dominant in the SHP concept (Hayward, 1986; Kemeny, 1987). Some have without taking notice of the difference translated structure of housing provision into structure of housing production. Forrest, Murie and Williams (1990), for instance, claim that "A structure of housing provision relates to those social relations that are necessary for the production of housing in a form suitable for use by households." (p13). They then use this definition of the SHP concept to contrast it with a perspective relating to consumption where "processes of individual choice and demand are often presented as of crucial importance to the nature and growth of the tenure." (also on p13). Polarising a production and consumption oriented perspective is, however unjustified, as the SHP concept integrates the spheres of production, exchange and consumption. This is rather unlike the 'consumption sector cleavage' perspective which narrows the study of home ownership to the home owners alone.

The intentions of the SHP concept can be clarified by another quote. "It should be made clear that looking at structures of housing provision does not mean that emphasis should be placed on housing supply instead of the current fashion of placing emphasis on demand. It is neither 'supply side economics' nor a 'production approach to housing'. In the absence of knowledge of the agents involved and analysis of their interrelations, it is impossible to specify whether any particular aspect of a structure of provision dominates over others' (Ball, 1986, p158). One example Ball gives of the influence of demand on supply is his emphasis on the volatility of the UK housing market caused by the activities of existing owners in that market (Ball, 1983) and his analysis of the problems caused by and inflicted on marginal homeowners in Ball (1986b).

FIGURE 2.1: Two structures of housing provision in Britain



Source: Ball, 1983.

iv) SHP are regarded as dynamic entities in that they are always subject to pressures for change from outside influences and from the dynamic caused by the relations between agents. These can be termed external and internal influences on the dynamic of an SHP; a contrast I shall expand upon later. Examples of external influences are economic cycles or changes in interest rates, which may cause housing markets associated with SHP to transform. Internal changes which may effect change upon SHP relate, for instance, to the institutions that take part. The recent deregulation of specialised housing finance institutions are a clear illustration of this.

v) The concept of SHP helps to distinguish the wide variety of ways in which housing is provided, which is required in cross-national research. The owner occupied housing market in Britain for example is associated with a single SHP because of the integration of the second hand market with sales of newly built dwellings whereas in other Western European countries such a unity cannot be specified in that way. One single SHP may of course also appear across fragmented markets because of the similar characteristics of the participating agents across those markets (see below).

vi) Much of the empirical research using SHP has been economic in content and economic ties are a key component of the specification of a SHP. These economic considerations have a number of aspects.

- The enterprises involved in a SHP need to be economically viable. This viability can be largely associated with and dependent on a particular structure of housing provision, but it may also shift between housing and other sectors. Changes in the behaviour of these institutions may have a great influence on the dynamic of an SHP. This is extensively discussed in the chapters 5 and 6 which consider the recent transformation of mortgage finance institutions.

- Economic factors influence investment flows in physical process of building or repair and maintenance of housing. Policies, of course, have an influence too, particularly when it concerns SHPs associated with social rental sectors. But the what, how much and where is being built or invested in existing housing remains highly dependent on economic cycles.

- Economic flows help to determine the interrelation between the social agents involved in a particular SHP. For example, who pays or ends up owning the wealth arising from the production, exchange and consumption of housing? Are, for example in social housing, the costs and subsidies pooled between tenants as in the UK, or are tenants charged on a historic cost basis as in much of the rest of Europe; does, owner occupied mortgage interest tax relief in Britain subsidise homeowners or help to sustain the profits of the other agents,

such as housebuilders, building societies and landowners and who is likely to gain most?

vii) SHP cannot be defined purely in economic terms alone. Social agencies have to be created in order to have economic, as well as social and political interrelations. Their creation is often only partly economic in content. The British building societies and the European social housing institutions could for example only exist and remain active with considerable support from the state. So their form is legally structured and guided by political forces. This relation between a SHP and wider political and social processes will be considered in more detail below.

viii) SHP are not a theory of housing as Kemeny (1987) seems to believe. Maybe they could be called a 'formal theory' as defined by Boudon (1986) (see Ball and Harloe, 1990), but principally, SHP provide a conceptual framework on which no forecasts can be based or empirical conclusions drawn. They are instead a methodology for housing research and analysis. The purpose of the concept is to provide a means of posing a range of research questions, of ordering the material and analyzing its effects (see Ball, 1986; Ball, Harloe and Martens, 1988; and Ball and Harloe, 1990).

ix) The SHP concept does allow hypotheses about certain relations between its internal elements such as those between the physical and social relations described above, or the distribution and effects of subsidies throughout an SHP. At the same time, the concept closes off the use of certain widely used theoretical approaches (or labels -see above) such as those described as deriving from structural-functionalist sociology or from the 'liberal-interventionist' approach (Harloe and Martens 1983; Ball, Harloe and Martens 1988). But of itself the SHP concept gives no explanatory priority to any particular aspect of housing provision. As Topalov (1979) argues, there is no clear or individual object of housing analysis nor any singular housing question. It is therefore impossible to state a priori what should be the most important features to focus upon. Rather it depends on the research questions being asked and on the choice of the delimitations of reality used in the research concept. For instance, to approach an understanding of housing policies with the terminology of conditions as defined by state housing policies would have limited explanatory value.

x) As SHP is not a housing theory no general conclusions can be drawn from it, for instance, about which SHP would be better than another when studying SHPs which are linked to housing tenures or in cross-national comparisons. Nor does the SHP approach by itself involve any particular

judgements about whether a specific policy and the objectives it aims to achieve are good or bad. Such judgements can only result from actual analyses undertaken and can only answer specific research questions related to particular aspects of SHP. It can never be the case that value judgements concerning a whole SHP is at stake or judgements of a 'tenure' as it is associated with by some. Such conceptual neutrality has been misunderstood by some commentators. Saunders (1990) criticisms of Ball's (1983 and 1986b) analysis of British owner occupation, for example, believes that owner occupation as such is under scrutiny rather than a particular way of providing it. Again, a neutral approach of the SHP concept is also required in international comparative research: in Western Europe, for example, owner occupation does not always exist as a sustainable independent structure of housing provision. This does not mean that it necessarily should be one or even become one in the 'natural' evolution of home ownership. More will be said about this in the concluding chapter.

2.3 The comparative context: expanding on the concept of SHP

Using the notion of SHP, especially in a comparative context, requires further theoretical elaboration. The practical application of the concept also helps to facilitate the concept's relevance in research. A number of questions have been raised by this comparative research which suggest that additional concepts can be added onto the basic concept. This section will discuss this elaboration on the SHP concept and will be centred around the following interrelated issues:

- the reproduction and stability of SHP
- the independence/interdependence of SHP
- markets and SHP
- forms and social relations associated with SHP
- the 'external'/'internal' linkages of SHP

2.3.1 The Reproduction and Stability of Structures of Provision (SHP)

An earlier section pointed out that SHP can only be formulated in a dynamic way. Internal and external social relations are continually generating change within them. Change may take the form of transformations of institutions or even their demise as with the large-scale French speculative housing promoters analyzed by Topalov (1981) or the independent Dutch mortgage banks (Martens, 1988). Alternatively, change in market relations may lead to unforeseen consequences for particular institutions or social agents

involved in a SHP. One example is when existing owners who wish to move and sell face a sudden collapse in the prices of their homes - a feature apparent in housing markets of countries such as the Netherlands, Denmark or Germany in the early 1980s and most recently Britain.

Such events demonstrate that the potential instability of SHP is not just a theoretical possibility but a prominent and probably recurring feature of countries' contemporary housing systems. Instability is endemic, for example, in many owner occupied housing markets. Periods of housing market boom, when most purchasers, politicians, builders and financial institutions expect that a permanently golden phase of home ownership has started, are followed by sudden collapses, disastrously affecting the finances of both developers and homeowners. Such crises often lead to a new phase of restructuring with possibly another SHP as an outcome. In chapter 4, this process of transformation is described for the Dutch owner occupied market during the 1980s.

In other cases instability can be an outcome of a development which requires a change with which one or more agents cannot deal, for instance, because of the legal constraints put upon them or because of pressures imposed by a changed competitive environment in which they operate. Mortgage banks in West Germany in the mid-1970s illustrated this feature as a once-off crisis arising from growing national and international inflationary pressures which was resolved by a restructuring of the system of mortgage finance. This would imply that once a period of restructuring is undergone stability should return, at least until the next event that generates a further structural crisis. That this not necessarily so is illustrated by the Savings and Loans Associations in the USA. Their development shows that restructuring can lead to successive crises instead of a return to a stable situation for a SHP. Sometimes these crises induce changes which can lead to such radical shifts that new or virtually new SHPs are created, as occurred in the USA during the interwar years or less dramatically with the demise of large scale promoters in France in the late 1970s.

2.3.2 The independence/interdependence of SHP

A question raised by the study of SHPs in different countries is whether a specific SHP can exist and develop in its current form as an independent entity or whether it relies on the simultaneous existence of at least another SHP. Gentrification for home ownership for example often presupposes rundown rental housing to gentrify (Smith, 1986; Hamnett and Randolph,

1988); and council house sales do not only assume a political leader like Mrs. Thatcher, but also a provision system of social housing which leads (or has led) to the public ownership of most of the social housing sector (Harloe and Martens 1985).

In most West European systems of owner occupied housing provision could not remain without rental housing options being available to prospective buyers. German home owners need to make substantial down-payments for which they could not save for many years unless they could rent a reasonably priced and adequate quality dwelling at the same time. Without such long savings periods however home ownership in Germany would be of a different physical form. Owner occupation is still predominantly associated with the large detached, or semi-detached in the suburban areas, dream house.

The simultaneous existence, or not, of another SHP in a national housing market could also effect household mobility. In the Netherlands households regularly move between ownership and renting. In contrast, in Britain and to a great extent the USA structures of owner occupied housing provision often take households virtually from their first home through to their last. The question of housing mobility, within and between tenure, and SHP is considered in depth in chapter 4.

The issue of housing wealth is associated with mobility. It would empirically appear that house price inflation generates more housing wealth for home owners in an independent SHP than in ones that are interdependent. In the UK trading up is a general feature of the owner occupied market. A relatively high rate of mobility is encouraged by the ability of building up substantial nominal housing wealth gains. Conversely, postwar house price inflation has kept German prospective house buyers in rental housing for a relative long time and its home owners fairly immobile.

From a policy perspective it is impossible to decide beforehand whether it is better to have independent or interdependent SHP. Is it better to have a housing system which mixes phases of renting and owning during people's housing career or should it remain a mono-tenurial system? From different perspectives and with different outcomes both Kemeny (1981) and Saunders (1990) make prior value judgements as to what is best - Kemeny prefers a mix of tenures, Saunders is a believer in ontological possessiveness. The experience across countries suggests that the issue is more complicated. Neither of these authors acknowledge that in either dependent or independent SHP, the SHP themselves vary with different effects on for instance the accessibility a tenure for households of different social groupings. Decisions to shift political support

to the promotion of individual home ownership, therefore, may well imply a fundamental change of structures of housing provision and associated types of housing market.

2.3.3 Types of Markets and Structures of Housing Provision

One distinction that often appears as a unity is that between SHP and the markets (including regulated or quasi-markets as associated with social housing provision) that they are associated with. Again assuming an apparent correspondence between SHP and type of market arises from the emphasis on the British situation in housing research. In Britain there is a sharp separation between the functioning of the housing tenures and associated structures of housing provision. But as each tenure is associated with only one SHP these are therefore affected by common market forces which are operating throughout the country (see also figure 2.1 above). From studying owner occupation in a number of countries and in different time periods it is possible to think of eight combinations of SHP and markets. This is illustrated in table 2.2.

TABLE 2.1: Feasible combinations of SHP and markets

	Unified market	Fragmented market	Interdependent market	Independent market
one SHP	•	•	-	•
more than one SHP	•	•	•	•

Unified markets exist when given economic forces affect the conditions under which dwellings are traded throughout national housing markets. In Britain, for example, recent house price booms and slumps have rippled out throughout all regions from South East England. Sales and new purchases by existing home owners are both important in the process of unifying housing markets. There are two reasons for this. When home owners are actively selling and buying within the owner occupied tenure, existing housing competes with each other and therefore influences each other's price levels and those of new housebuilding. A second reason is that major parts of the proceeds of these sales are re-invested elsewhere into the housing market by existing home owners who are trading up or down; also this unifies the process by which house prices are determined throughout the country. The case of owner occupation in Britain with its predominance of speculative housebuilding is a

clear example of a unified market with one SHP associated to it (even when there was a significant but temporary invasion of commissioned housebuilding during the late 1980s boom (when over 20,000 commissioned completions were achieved in 1989). In contrast, a unified market with several SHP could be found in owner occupied housing provision in the Netherlands, but it existed only for a short time period, in the late 1970s (see chapter 3).

Fragmented markets occur when dwellings are provided in a similar way throughout a country, but where no linkages through generalised processes of exchange have developed between regions or between housing market segments. Fragmentation frequently occurs with commissioned housebuilding and/or when SHPs each serve different regions or market segments. Such differentiation may be caused by regional separation (say California's sheer distance from New York) or by social factors which inhibit mobility between segments of markets. The latter occurs in owner occupied markets where buying a house is usually done once in a life time (Germany has already frequently been referred to in this context) or in markets which are highly segregated, for instance luxury housing versus mobile homes or on lines of racial/class segregation (which are characteristics of the USA system).

Fragmented markets can be served by one or more structures of housing provision. The different rural owner occupied housing markets in West Germany or France which are associated with commissioned housebuilding are a good case of a single SHP in a fragmented market structure. Urban housing markets here illustrate the fragmented/multi SHP combination of several forms of housing promotion for sale; there is also commissioned housebuilding, but on a limited scale.

Interdependent markets have already been referred to above, when discussing the dependence of structures of owner occupied housing provision in some markets on those associated with rental housing. At a local level gentrification is a good example: the gentrifying SHP requires the purchase and redevelopment of low cost and low quality rental housing, otherwise it has no base to exist. But not all low cost rental housing are attached to SHP which would permit gentrification. Inner-city social housing estates, for instance, are no easy target. At a national level, interdependent markets develop there where housing careers of households involve different tenures, but only when rents are influenced by house prices and vice versa. So, the time needed as a tenant to save for buying or building a house is not an example as it does not

necessarily connect the various markets; market fragmentation can remain. Interdependent markets assume that different SHP and associated tenures compete with each other for similar types of housing demand. Competition focuses on a wide middle income range of households. Households' tenurial preferences may change with market conditions. Interdependent markets also suppose a certain balance between the tenures. But, given most government's discriminating subsidy and taxation policies interdependent markets are not necessarily easy to find. Such characteristics, however, have recently started to emerge in the Netherlands (see chapter 4). Not only households in this country switch relatively easily between tenures but also the some agencies attached to a particular SHP have developed "promiscuous" attitudes towards participating in several forms of housing provision.

It is obvious that there cannot be a 'single SHP - interdependent market' variation.

Independent markets are in some sense obvious. 2CV's do not compete with Rolls Royces, and the same is frequently true with housing. For example, structures of housing provision associated with council housing in Britain are fully independent from owner occupation. In this country, an independent market is complementary to the unified one: a unified owner occupied market exists within an independent market. The British case of sharp tenurial separation illustrates that independent markets can have independent single SHP. The independent multi SHP variety can be illustrated at the level of different country's housing markets which are generally also independent from each other. Western Europe's national housing markets, for example, have for many years been 'invaded' by foreign promoters or builders offering full packages. This process is being considerably extended by the advent of liberalisation and the EEC's 1992 single market initiative. Swedish, French and German housebuilders with support from their governments have for many years exported whole SHP to the Third World; British firms did this especially in colonial times.

In all examples of single and multi SHP independent markets given here, different types of housing markets exist simultaneously and independently. The imported SHP exist next to but independent from the ones already existing in a country. Also in the example of Britain is market independence defined in relation to other SHP, one of which is attached to a unified market. This is an empirical fact which emphasises the need to analyze SHP and associated

housing markets beyond the level of their definition and in relation with each other.

2.3.4 Forms of housing provision and the social relations of housing provision

The concept of SHP is still too general or neutral for a study of owner occupied housing on an international scale. The concept has mainly been developed through discussion of the British housing system and is not detailed enough to take account of the peculiarities of housing provision structures elsewhere. In Britain both council housing and owner occupation have been developed within structures of housing provision which are totally independent from each other. None of the institutions (apart from some big builders) participating in council housing can be found to provide housing for sale and vice versa. Provision structures are not so rigidly separated in other countries and this can lead to confusion about how SHP can be defined. There can be tenurial overlaps when one SHP provides both rental and owner occupied housing. Different forms of housing provision can exist within one tenure for instance, the distinction between 'building for sale' or 'building for own use' is associated with different provision structures in owner occupation. And, finally, there can be institutional overlaps between SHP when significant participants have similar interests in either of them. Therefore, more distinguishing features are necessary to define the differences between one provision structure and another, even when institutional or social relations overlap. For this two additional concepts are introduced: 'forms of housing provision'(FHP) and 'social relations of housing provision'(SRHP).

Forms of housing provision focuses at the process of providing new housing. For analytical purposes, different provision forms will be distinguished by the type of institution or person that initiates, organises and controls the housing provision process. Such initiators have in the French literature been referred to as housing 'promoters', in the German as 'Bauherren' or in the Dutch as 'opdrachtgevers'. Housing promotion is only one aspect of housing provision, next to financing, building, exchanging and the use of housing. The FHP concept does not wish to isolate housing promotion but, for reasons of distinction, only to use it as a focus in the analysis of structures of housing provision, around which the activities of the other participants are defined. As the initiators and controllers of the housebuilding process, promoters buy or lease land, hire builders, organise the financing and make sure that the housing are sold or let. The diagram in figure 2.2 distinguishes these activities in FHP and gives several examples of different

types of housing promoter: they can be the future occupant, financial institutions, builders etcetera.

In his study of private promoters Topalov (1974) gives a typology of housing promotion by distinguishing them by the forms of financing that are associated with them (state or private loans with varying degrees of subsidies). Tenure is also a distinct feature, but the differentiation of promoters is predominantly determined by the various financing schemes. The significance of housing finance systems is, however, mainly a characteristic of the French system of housing provision and cannot be used to define FHP elsewhere or for all time periods. The concept of FHP is meant to define provision structures beyond the boundaries of tenure or systems of finance, building methods, housing types etc. Instead, taking the type of housing promoter as the distinguishing feature between FHP, gives space for the inclusion of different types and combinations of for instance financing or building and the social relations between these participating institutions or agencies.

The FHP concept does, however, focus attention on the process of providing new housing and the social relations and types of market associated with this process. To study the reproduction and sustenance of FHP and to understand processes of change, the inclusion of the wider social relations within which FHP developed is required.

Social relations of housing provision complement the notion of FHP. Where FHP is concerned with describing different systems of providing new housing, SRHP focuses on the dynamic, that is on processes of change. Three areas of social relations of housing provisions shall be distinguished here: those associated with i) the housing markets; ii) housing policies; and iii) the participating institutions and agencies (see also figure 2.2). Forms of housing provision can appear and reappear with housing market cycles: speculative housing promoters in France and the Netherlands, for instance have proved to be such unstable forms of housing provision. Changes in housing policies are of course also significant: the demise of council housing in Britain is a clear example of the transformation of a SHP. The recent promotion of housing associations in Britain also illustrates how the relative significance of a particular SHP in national housing markets can vary over time. Forms of housing provision can also change, for instance when the institutions associated with its provision are transforming. The deregulation of specialised housing finance systems has in many occasions led to a greater influence of financial institutions via participation in housing promotion instead of just funding it. But to explain the significance of the three representations of SRHP further,

it is necessary to differentiate between factors which are part of SHP and which are external influences.

2.3.5 The 'external /internal' linkages of SHP

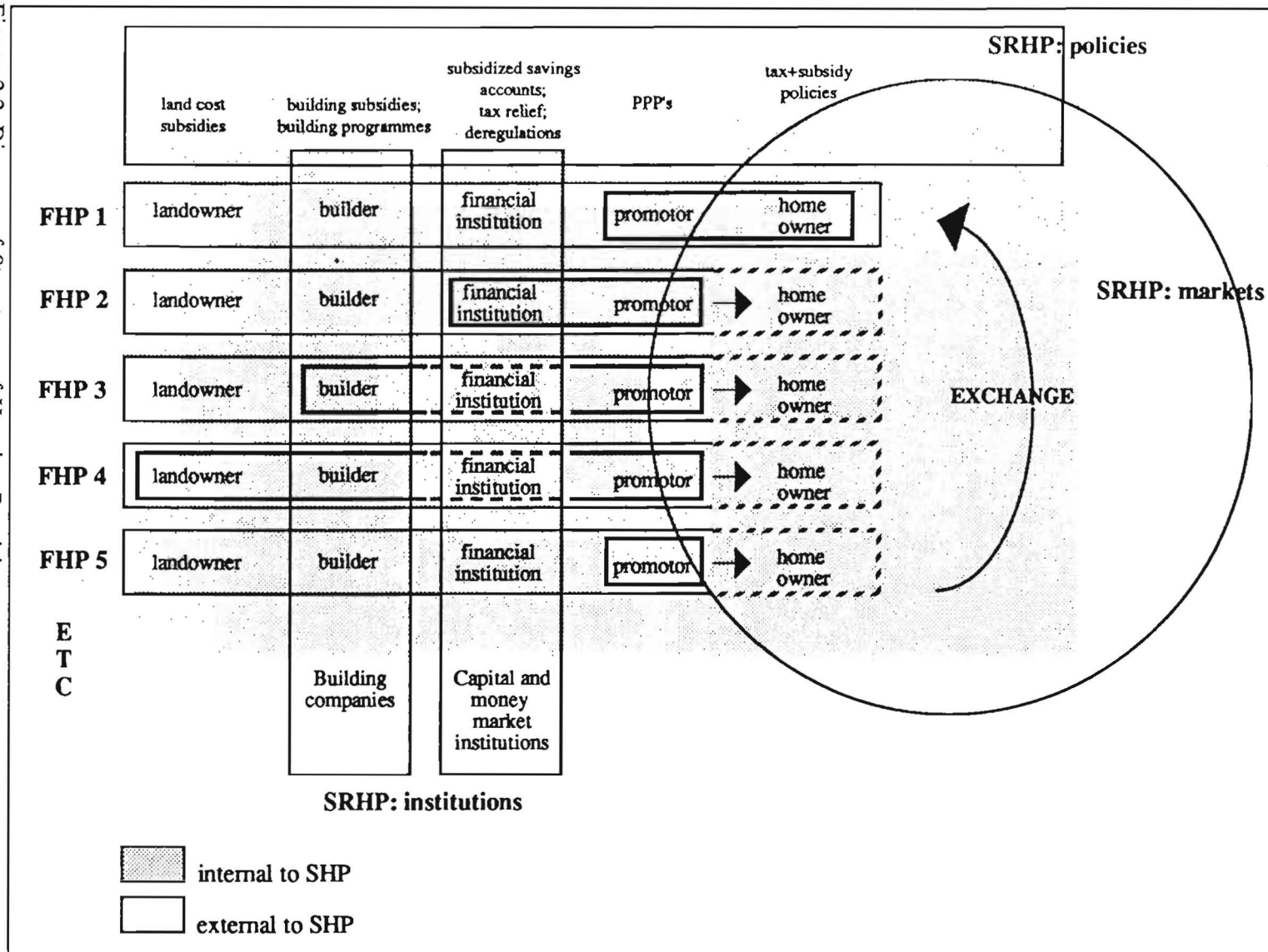
Figure 2.2 summarises some of the features of the theoretical concept of my interpretation of structures of housing provision. The diagram separates FHP from the three types of SHP and distinguishes between internal and external factors. Several forms of owner occupied housing provision are indicated, for instance the first one refers to commissioned housebuilding, the second to speculative promotion by financial institutions, the fourth to speculative housebuilding in Britain. The three areas of social relations of housing provision are in different ways connected to FHP. On their own, SRHP are influenced by factors which directly relate to housing provision, in the diagram indicated as grey, and factors which are external to housing, the white spaces beyond in the diagram.

The institutions of housing provision are an easy example. Some builders or financial institutions are specialised in housing and depend for their investments on this market. But here the social relations of housing provision depend at the same time on conditions set by builders or lenders, which in turn are linked to the conditions set by the general political and economic environment of the society in which they operate. This dependence of FHP on general economic factors is even more pronounced for participants which are not specialised in housing as these can divert into more profitable investments elsewhere. Chapters 5 and 6 will discuss the recent institutional changes in housing finance and their effects for housing markets and housing consumers.

Which types of housing markets feasibly can emerge has already been discussed extensively above in association with SHP and will not be repeated here. At a general level, demand and supply conditions in housing markets have components which are internal and external to SHP. Examples of external conditions influencing housing demand are demographic changes, like the rate of population growth, household formation or migration, or changes in locations of employment growth. A change in housing demand associated with the housing market itself could be displacement through urban reconstruction or gentrification or via arrears on rent or mortgage payments. Another example is increased mobility encouraged by the process of realising housing wealth. The fourth chapter discusses the 'market' aspect of SRHP more extensively via studying the process of household mobility.

Policies in connection with social relations of housing provision also have components which are internal and external to housing. The balance between these components is likely to differ between SHP associated with private or social housing. Taxation and subsidy policies have in all countries we studied become a direct part and a major characteristic of structures of owner occupied housing provision. But considerations to alter such policies are often influenced by decisions to control public spending or to alter its priorities in spending. The imposition of legislative changes on institutions associated with housing provision may also have been led by economic pressures, without considering the effect on the housing system. Possible effects of some housing policy alternatives on owner occupation will be discussed in the final chapter.

Figure 2.2: Diagram of Structures of Housing Provision



The diagram has, as all diagrams have, many shortcomings. Social relations between the participants are not developed in any detail as for instance in figure 2.1.. It only give general illustration a number of possible forms of housing provision and its links to the market, the state and the associated institutions and agencies. The participants of the exchange processes in the market are not even specified. The diagram does, however, aim to show that the SHP concept allows for a dynamic description of a given national housing system. It is meant as an ordering, a juxtaposition of a range of factors which may produce change, whether these relate to FHP or SRHP or to developments which are internal or external to the structures of housing provision.

2.4 concluding remark

Not all aspects of structures of housing provision will receive equal attention in the following chapters. As mentioned before, this chapter was written after the ones that follow (except the very last one) and not all elements included in the model of the SHP concept presented here have been re-introduced in the presentation of the empirical studies that informed this model. The model is also not meant as a comprehensive theory, but aims to define a wide range of specific research questions, and to link them to the context in which housing is provided. The following chapters therefore present results of the study of elements of structures of housing provision. Only chapter 3 gives a general overview without being comprehensive.