Introduction

Housing is central to our lives and widely embraced as one of the most fundamental human needs. The United Nations acknowledged housing as an essential part of the right to an adequate standard of living in its 1948 *Universal Declaration of Human Rights* (Article 25), a position it would underscore almost two decades later in its *International Covenant of Economic, Social and Cultural Rights* (Article 11). Indeed, along with food and clothing, shelter is recognized as a basic necessity in even the most narrow and stringent ‘absolute’ definitions of poverty advanced by neoliberal governments, agencies and think-tanks around the globe today. Yet, however routinely proclaimed as indispensable in official international and national documents, access to adequate and secure housing is far from universal, and a wide range of housing inequalities, including homelessness, can be readily observed across most countries today. Housing policy is a central means of addressing housing needs and inequalities and, despite being one of the more neglected policy areas in comparative, cross-national social policy/welfare state research, has generated considerable debate concerning its standing as either a ‘cornerstone’ or a ‘wobbly pillar’ of the welfare state in the broader and rapidly expanding ‘housing studies’ literature. After a brief account of the significance of housing and the character of housing markets and housing systems, this chapter addresses key dimensions of housing policy and goes on to consider its connections to social inequality.

The importance of housing

Housing is among the largest single consumer expenditures for most households and, for the majority of homeowners, it is their largest asset, comprising the lion’s share of their wealth. Housing also serves a multiplicity of pivotal biological, social, economic, cultural and legal functions. In addition to protection from the elements, including extremely hostile, life-threatening weather in many regions of the world, housing provides families with: a secure environment in which to conduct essential, if often taken-for-granted, quotidian routines (e.g. eating, resting, sleeping, washing, lauding clothes, doing homework); a retreat to recuperate from the daily grind; and a refuge from the outside world that permits a greater sense of control than in most
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Despite considerable variation in the specific ways that housing is allocated across the nations of the developed capitalist world, ‘housing markets’ play a central role in all of them. The number of households, their income levels and their housing requirements are among the most salient concerns on the ‘demand’ side of housing markets, while the amount, type, quality, cost and location of housing are key components of their ‘supply’ side. Housing markets actually comprise a series of overlapping submarkets, differentiated by location, dwelling type, tenure form, age, quality and financing (Smith et al. 1988). Consequently, national economic and media reports indicating that the housing market in a particular nation is buoyant or in a slump during a given time period can mask notable contrary developments in some regions, localities, neighbourhoods, sectors or other spatial and structural market segments. The state of housing markets – like that of stock markets – is routinely assumed to be a valid indicator of a nation’s economic health. Depressed housing markets are often associated with downturns in consumer or business confidence and viewed as symptomatic of larger socio-economic problems. When unemployment rates are high the demand for houses, and their value, may decline further, rendering workforces less geographically mobile and stalling economic recovery. Increases in the construction of houses, townhouses, condos and apartments (‘housing starts’), in turn, are generally viewed positively because they can generate activity and jobs in various ‘spin-off’ industries, such as the manufacturing of building materials, furniture and appliances, as well as in less directly related areas, such as finance, services and entertainment, spurring economic growth. However, these standard economic indicators do not necessarily reflect the well-being of populations, or the character and level of inequality, including housing inequality, in a nation (Olsen 2002, 2011).

Housing markets are strikingly similar to other markets in many respects. They have long histories of formal and informal restrictions or barriers to entry beyond ability to pay, including a range of discriminatory laws and overt, or more subtle, practices. More stringent screening measures, higher prices and rents, harassment, mistreatment and the denial of access to housing are among the various forms of discrimination endured by historically disadvantaged social groups in most housing markets. Ownership of many of the key ‘inputs’ required for the provision of housing, such as land, can be highly concentrated in housing markets. Housing markets offer two primary forms of commodities and services: homes for purchase and rental housing. Left on their own, housing markets may not provide sufficient quantities of affordable, quality housing in either form because developers, builders, landlords and other housing producers or ‘supply-side agents’ typically look for the highest rates of return. In this context, poor and lower
income families often have to purchase or rent housing that is substandard and inadequately sized; housing that does not meet satisfactory standards of hygiene and comfort; housing in neighbourhoods with fewer and inferior local amenities and services, and higher levels of pollution and crime. Indeed, in some of these areas even obtaining housing insurance can be considerably more difficult and, without vehicles or accessible public transportation, poorer families are often forced to rely on more expensive local shops for food and other essentials (Williams 1977). However, states may significantly modify housing markets to address the demand for affordable housing and mitigate many forms of housing inequalities.

Most housing is distributed through the market mechanism across the capitalist world, with access to it, and its location and quality, largely based on ability to pay. However, there is significant cross-national variation in the extent and character of state intervention in national housing markets and, consequently, in the ways that they function and their impact upon inequality. Thus, as in the area of healthcare and other social policy domains, some housing researchers focus on the broader ‘housing systems’ that exist across different nations, or groups of nations. They highlight the ways that states establish and enforce the ‘rules of the game’ in national housing markets through the unique packages of economic, fiscal, regulatory, social and housing policies that they assemble (Hulchanski 2006; Malpass and Murie 1999). Housing policies, like other social policies, are typically associated with the identification of salient social issues and problems, and with the formulation and implementation of specific programmes and ‘courses of action’ to address them. However, policies also include long-standing positions taken on these issues and problems and related ‘courses of inaction’, as with universal healthcare in the USA.

The housing systems in some nations, such as Canada and the USA, have placed considerably greater emphasis on market dynamics than in many other nations, and they have become increasingly reliant on them in recent years. This has actually required further state intervention to deregulate markets. In the USA, for example, the state weakened long-standing government practices and rules, and repealed 1930s ‘New Deal’ legislation that regulated the pivotal banking industry. This deregulation allowed the banks to engage in a much wider range of activities (such as selling securities and insurance), merge with other financial institutions, introduce new complex financial instruments (such as mortgage-backed derivatives) and greatly expand the subprime mortgage market, enabling large numbers of high-risk, marginal (subprime) borrowers to purchase homes. All of this culminated in a major bust in the US housing market, with record numbers of defaults and delinquencies. Estimates of the number of homes foreclosed on during the crisis period vary between seven and ten million, with the most disadvantaged groups and families hit the hardest. Other costs related to the housing downturn and foreclosure crisis include poorer mental and physical health, greatly impaired credit scores and a decline in educational outcomes in families forced to relocate for those directly affected, a substantial increase in rates of homelessness, and a marked decline in the value of properties surrounding the foreclosed properties – as well as a massive taxpayer-funded bailout of the financial industry (Ellen and Dastrup 2012; Hudson 2009). But the roots of this financial/housing crisis date back to the economic crisis of the 1970s and the dramatic reorientation towards neoliberalism, a multifaceted policy initiative that greatly extended the scope of the market via privatization, deregulation, greater corporate tax breaks, freer trade, and brutal attacks on welfare states, social security and the public sector, seriously undermining or reversing many of the gains made in the first few decades of the post–Second World War period. While most capitalist nations experienced marked retrenchment during this period – not least in the housing sector – its severity and impact was markedly attenuated in some of them. The character, patterns and impact of state intervention into markets across the capitalist world, and the divergent nature and impact of
national welfare states, has been a central concern in the social policy literature for over five decades.

**Housing policy models and welfare regimes**

Social policy researchers have attempted to impose order upon the considerable cross-national variation in the size, shape, character, goals and impact of national welfare states by grouping the ones that share some key features and orientations into policy clusters or models (see Chapter 11). Studies have also identified and categorized approaches taken in a particular policy area or domain of the welfare state. Some of the first studies in the housing domain focused on dominant forms of housing tenure across nations. Early functionalist accounts of housing policy had suggested that, with economic growth and increasing prosperity in the twentieth century, the predominance of private rental housing that characterized the previous century would soon give way to widespread homeownership. However, several housing policy analysts disputed the idea of a single, common trajectory of housing development. Despite the general trend towards owner-occupied dwellings, there were marked differences across the world of rich, developed capitalist nations. Anglo nations, they noted – such as Australia, Canada, New Zealand, the UK and the USA – had higher rates of homeownership than most other countries. In addition, the dominant ideologies and cultures in these ‘homeownership societies’, characterized as ‘individualist’, advocated and privileged private solutions to housing problems and issues. In the USA an almost fundamentalist devotion to the homeownership ideal has long been a central facet of the ‘American Dream’, and it was a central component of the recent housing crisis there. Moreover, the high cost of homeownership, particularly in the early years, is said to have greatly limited the development of welfare states in Anglo nations because homeowners sought to avoid the heavy rates of taxation required to mount and maintain them. Various subsidies and fiscal measures favouring home buying were actively promoted in lieu of welfare states, and renting became stigmatized as an inferior, less secure and less independent form of tenure in these countries. In contrast, wealthy capitalist nations with more collectivist ideologies and cultures, such as Denmark, Germany, the Netherlands and Sweden, had considerably lower rates of owner-occupied dwellings, more developed welfare states, significantly higher rates of social housing, and no stigma associated with renting in either its private or public forms (Conley and Gifford 2006; Kurz and Blossfeld 2004; Lowe 2004; Ronald 2008).

However, several housing policy researchers have disputed certain central aspects of the models and arguments set out by theorists that group the national housing policies of nations on the basis of housing tenure and ideology. First, they argued that, even if it existed earlier, the strong inverse relationship proposed between homeownership and welfare spending weakened markedly over time. The growth of home ownership has not advanced more slowly in the more ‘collectivist’ nations; and public policy, in the form of fiscal and other subsidies, appears to have played a role in increasing aggregate homeownership rates across most nations (Castles 1998a; Malpass 2008). Moreover, the Anglo ‘homeownership societies’ did not have particularly high rates of homeownership during the period when welfare states were developing, so the idea that their welfare states remained relatively undeveloped because of the great resistance to high taxes by financially strapped homeowners there is not convincing. Further, other Southern European nations, such as Greece, Italy and Spain, have had very high rates of homeownership and more developed welfare states, with relatively generous pensions (Castles and Ferrera 1996). Finally, the almost exclusive focus on housing tenure – with homeownership viewed as more market-oriented and public renting as less so, and always more supportive – ignores other ways in which states help families to access and secure housing (Andrews and Sánchez 2011; Doling 1999).
Other comparative housing studies went beyond the consideration of housing tenure alone, focusing on more inclusive networks of housing policies across nations. Housing policies in the Nordic countries were identified as ‘comprehensive’ because of their pronounced reliance on state planning and regulation of their housing markets and their much greater emphasis on universality (Heady 1978; Heidenheimer et al. 1990). ‘Universality’ in this context, however, referred to the creation of a single, general housing market for everyone, rather than to the provision of the same social service or income benefit provided as a right or entitlement to all residents as in other policy domains such as healthcare or education. Thus, despite marked differences in the specific institutional arrangements of their housing systems, the policies in Denmark, Norway and Sweden have been ‘directed to all types of households and most segments of the housing market’ (Bengtsson 2008: 2). Housing policy in the Anglo nations, in contrast, has been described as ‘selective’. Private sector industry and credit markets have played a much more central role here, with considerably less government regulation, and most state intervention – including the provision of social/public housing – has been largely targeted at poor households that can demonstrate need.

The most widely adopted welfare state typology is Gøsta Esping-Andersen’s (1990) ‘welfare regimes’ approach (see Chapters 11, 27 and 28). It sorts nations with broadly similar orientations into one of three policy families – liberal, social democratic or corporatist/conservative. The central concepts Esping-Andersen used to distinguish these three ideal-types was their varying capacity to ‘decommodify’ citizens, their impact upon existing systems of stratification and social solidarity, and the division of responsibility for welfare delivery between the market, the state and households (i.e. the ‘welfare mix’). Decommodification is a process that advances as people become less reliant on markets for their well-being, usually through the provision of public services and other measures rendered by the state as a matter of right. Applied to housing, it refers to the extent that people can obtain housing independent of their position or participation in the labour market.

Although broadly employed across several social policy domains, such as labour market policy and healthcare, the welfare regimes approach has only infrequently been used to address housing policy (e.g. Hoekstra 2003; Hulse 2003). The studies that have used it have often focused on only a few nations, or a single policy instrument – such as housing tenure (Kurz and Blossfeld 2004), housing allowances (Kemp 2007) or social/public housing (Priemus and Dieleman 2002) – providing a more restricted form of comparison. Some researchers suggest that this relative neglect is partly because the housing policy area is anomalous and not as readily integrated into ‘mainstream’ welfare state research.

### Housing policy: wobbly pillar or cornerstone of the welfare state?

In the Beveridge Report and other social policy documents, the noted British economist and social reformer William Beveridge (1942, 1943) outlined his highly influential blueprint for the welfare state, identifying housing as a principal social policy pillar. However, several social policy analysts have suggested that, in practice, housing policy has rarely occupied such a central position. Qualifying Beveridge’s metaphor, Ulf Torgersen (1987), for example, describes housing policy as a decidedly ‘wobbly’ welfare state pillar and highlights its institutional peculiarity. Other policy domains, he notes, such as healthcare and education, have fairly explicit standards that indicate when the institutions in charge are required to intervene, and specify the legal actions that may be taken if they fail to do so. They are also characterized by the presence of trained cadres of professionals, often divided into several occupational categories and specialities, and by the continuous delivery of services. Although these aspects are not entirely absent from housing

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Policy, they are not nearly as pronounced. For example, housing standards exist but, outside of critical, extreme cases—substandard conditions requiring immediate intervention by public authorities—the nature of that action, or the repercussions for failing to act, are not very clearly delineated. Indeed, even desperate circumstances, such as homelessness, may not be satisfactorily addressed or fully acknowledged via housing policy in many nations. Similarly, Michael Harloe (1995: 2), another housing policy analyst, points to housing policy’s ‘ambiguous and shifting status on the margins of the welfare state’. He depicts it as ‘the least decommodified and the most market-determined of the conventionally accepted constituent elements of such states’. Unlike education and healthcare—two social services that are furnished for all citizens or residents by the welfare states in virtually every advanced capitalist nation—housing is not universally allocated by the state in any of them. Even the highly developed social democratic welfare states—including that in Sweden, the regime archetype—have been unable ‘to manufacture a solidaristic housing policy’ (Esping-Andersen 1985: 246).

There are a number of reasons why states might opt to intervene in markets to provide housing for all residents or citizens in their nations. Compared to most other products on the market, dwellings are peculiarly complex commodities; each one is somewhat unique, spatially fixed, and must satisfy a bundle of specific needs, not just one. These characteristics and others, including attachment and transaction costs, create market imperfections that privilege sellers and landlords over buyers and tenants in housing markets. But there are many compelling arguments explaining why states have not provided universal housing and why housing is accessed via private markets right across the capitalist world. First, ‘socialization’ in the housing sphere constitutes a significantly greater threat to capitalists and capitalism than in most other policy domains. After all, it would require the state to gain ownership and control of a very significant amount of private property (real estate), impeding opportunities for profitability to a far greater extent than in other policy areas. Such public intervention would immediately mobilize intense resistance by powerful vested interests. Second, private housing markets have deep roots and long-established practices that militate against radical departures from existing traditions. Finally, because housing is a form of real property—an asset against which money can be borrowed—its cost can be met by relatively low payments over a long period of time. This situation enables larger numbers of people to purchase their homes instead of renting them, promoting greater ‘commodification’ (Harloe 1995).

Other housing policy analysts suggest that housing only appears to be a minor component, or ‘wobbly pillar’, of welfare states because there has been an undue overemphasis on the level of social housing provided by the state. This orientation reveals little about the quality of housing provided but, more importantly, it assumes incorrectly that the provision of social housing is the only means of weakening market forces in housing markets, ignoring numerous other policy instruments and components of housing systems that may also serve to decommodify citizens (Malpass, 2008). In fact, most nations have introduced a wide range of ‘supply-side’ and ‘demand-side’ measures that can act as ‘correctives’ to housing markets and, to varying degrees, weaken people’s dependence upon them (Bengtsson 2001; Doling 1999; Stephens and Fitzpatrick 2008).

Supply-side measures are designed to address the level of the available housing stock in a nation, as well as its composition, quality and price. States can correct deficiencies here in a number of ways beyond just providing or subsidizing social housing. They may furnish builders, developers, landlords, financiers and other producers or providers of housing with various forms of ‘direct support’, including grants, low-interest loans, public guarantees on loans, subsidized interest rates, and other ‘bricks-and-mortar’ benefits, and/or offer ‘indirect support’, including a wide range of tax relief measures. These producer subsidies may be available to both private
and public providers of housing, including non-profit landlords, such as housing associations or local authorities (Kemp 2000, 2007; Lujanen 2004).

Demand-side measures, in contrast, provide assistance directly to housing consumers (home buyers and home renters) to improve their position in housing markets. The most central and commonly employed types of consumer subsidies in most nations are housing allowances and other related forms of income assistance or cash benefits. But states may also provide a range of guarantees, subsidies and tax exemptions to home purchasers, builders and renovators. Access to housing can also be promoted by establishing and upholding rights to housing, or by introducing and strictly enforcing rent controls and various other forms of regulations and protections for tenants and homeowners, including restrictions on evictions and foreclosures.

Housing policy networks and instruments

Welfare states comprise three distinct but closely interrelated networks or pillars of social support: (1) income support programmes (universal, non-contributory demogrants, social insurance, and means-tested allowances, including housing allowances, as well as various forms of ‘fiscal welfare’); (2) social services (such as education, healthcare, social housing, and related ‘in-kind’ provisions); and (3) social legislation (regulatory, protective and proactive social legislation, such as child protection laws, minimum wage laws, workplace health and safety legislation, rent controls and protections against foreclosure and eviction, often collectively referred to as ‘legal welfare’). Each of these three support systems is typically employed across a range of social policy domains, such as healthcare, family policy, old age policy, education, labour market policy and housing policy, and each embraces a multiplicity of different policy instruments (Olsen 2002). But their essence can vary significantly across national welfare states.

As noted above, there are numerous supply-side and demand-side housing policy instruments employed by states with varying impacts upon inequality and decommodification. A brief overview of one central housing instrument from each of the three housing networks – housing allowances (an income support programme), social/public housing (a social service) and rent control (social legislation) is provided below. Their character, ability to decommodify and impact varies markedly across nations, but some deviation from expectations generated by the welfare regimes typology is especially notable in the clustering of nations in some of the sub-areas of the housing domain.

Income support programmes: housing allowances

Most nations have introduced a variety of demand-side consumer subsidies to help families access housing, typically the single largest item in their budgets. The most common forms of income support are housing allowances. Housing allowances, and other housing supplements and ‘top-ups’, are usually means-tested benefits provided to low-income families, and often targeted at particular demographic groups such as young people, families with children, people with disabilities and pensioners. Housing allowance schemes may take various forms, with different names, rules of eligibility and levels of support across nations, but they are typically designed to help families access adequate housing, or reduce the share of their income devoted to housing expenditure (Åhren 2004; Ditch et al. 2001; Kemp 2000; Lujanen 2004). Many nations introduced them in the 1930s and 1940s and, in some of them, such as France, the UK and, especially, Sweden, they have markedly reduced the burden of rent for households living in poverty and promoted homeownership (Chen and Öst 2005; Stephens 2007). In many nations, such as Germany, France and the Nordic countries, they are one component of the
extensive packages of income benefits available. ‘Implicit housing allowances’, such as income-related rents and other similar forms of rent control, and a wide range of tax deductions, exemptions and deferrals, are other demand measures that have been directed at housing consumers. Over the past few decades there has been a marked trend towards a greater reliance on consumer subsidies, which have become the most central form of housing policy in many nations, and a corresponding movement away from the provision of social/public housing. At the same time, the accessibility and generosity of these allowances have become more restricted across most nations.

**Social services: social/public housing**

As noted above, evaluation of the housing policy domain as an undeveloped component of the welfare state is largely due to the observation that, unlike education or healthcare, no state provides housing for everyone. Nevertheless, ‘social housing’ has played a very important role in many of them. ‘Social housing’ is a broad term that refers to rental housing provided by the state, not-for-profit organizations, or combinations of both. It is thus a more inclusive concept than ‘public housing’ which typically refers to rental housing that is owned and managed by the government at the central or local level and targeted at low-income families. In the UK, social housing has been largely run by district and borough councils and is referred to as ‘council housing’. Although social rental housing existed earlier, most of the developed capitalist nations did not really begin to develop their social housing sectors until after the Second World War in an attempt to address severe shortages of affordable dwellings. Although it would never play more than a residual role in North America, it was central to post–Second World War reconstruction in Europe, including the UK, where many nations faced substantial housing shortages due to the low levels of new construction and devastation caused by the war; in London alone, for example, over a million homes were destroyed or damaged by the Blitz.

Jim Kemeny (1995) identifies two forms of rental systems in industrialized capitalist societies: *unitary and dualist*. Nations with dualistic systems have two very distinct rental markets: one that is ‘open’ and another that is ‘protected’. The bulk of rental housing in these nations is provided in the open market, a private and largely unregulated sector. The protected market is a small, non-profit, state-subsidized public housing sector geared towards low-income households in need that does not compete with the large, open, mainstream market. Dualistic systems exist in Anglo/‘liberal’ nations, such as Australia, Canada, the USA and the UK (a nation which has had a relatively large protected sector), as well as in the Mediterranean countries, and in some social democratic, Nordic countries, such as Finland and Norway (Kemeny 1995: 66). Nations with unitary markets, in contrast, have single, integrated housing systems in which state-subsidized and not-for-profit housing compete directly with the private housing sector – a more encompassing and collectivist approach. Sweden, Germany and the Netherlands are among the nations with unitary rental systems. Despite some overlap, the policy families that Kemeny identifies clearly do not entirely align with Esping-Andersen’s regimes.

States have typically subsidized the provision of a certain quantity of housing at lower levels of rent than those available on the open market. While social housing sectors have always been ‘supplemental’ to the market, and have never accounted for more than a minor share of rental housing in any capitalist nation, they have been very significant in some nations. The way it has been organized, as suggested above, has also differed markedly. Sweden, for example, has never had the kind of targeted, residualized public housing and assisted housing sectors that exist in the USA and other liberal nations. Instead, it created a non-profit housing sector following the Second World War. Its peak period was between 1965 and 1974 when a million dwellings were
constructed via the ‘million programme’. Like Denmark, Sweden has a ‘unitary’ rental market (Bengtsson 2001, 2008; Kemeny 2001). Virtually all its social housing is organized by municipal housing companies (MHCs), with boards appointed by local authorities and, unlike in nations with ‘liberal’ or ‘dualistic’ housing markets that target the most vulnerable, it is open to everyone (‘universal’). However, the municipal companies have long had a ‘moral and political obligation’ to cater to all types of households and, in practice, ‘this has meant that socially-deprived households are over-represented in the municipal stocks’ (Turner 1999: 694; Magnusson and Turner 2008). The past few decades have been marked by a sharp decline in the state provision of social housing across most capitalist nations, reflecting a ‘recommodification’ of the housing market. In the Netherlands, the nation with the highest proportion of social rented housing, about 35 per cent of housing stock has taken this form. But in both Sweden and the UK, the nations with the next highest proportions of social rented housing in the 1990s (at 24 and 22 respectively), it has declined to about 18 per cent, approximately the same size as in Finland (17 per cent), one of the first nations to introduce public housing (Fitzpatrick and Stephens 2007; Tähtinen 2003).

Social legislation: rent control

Rent controls are based on an understanding that there is a significant power asymmetry between landlords and tenants. Tenants generally have less information about rental units and, once they have settled in, typically want to avoid the considerable costs of moving again. Rent controls provide some degree of protection from arbitrary and extortionate price-gouging and from retaliatory rent increases when tenants legitimately complain that the conditions of their homes are grossly substandard. While a range of tax deductions and exemptions are typically available to landlords and homeowners, rent controls are often the only support that tax-paying tenants can access. Rent controls also leave tenants with more money to spend to support local businesses and encourage them to renovate and improve their homes without fear that landlords will increase their rent because their units have increased in value.

Rent controls – which were introduced in some form in most nations across the developed capitalist world in an attempt to make housing more accessible and secure – have become more contentious in many jurisdictions in recent years. Opponents argue that they reduce the quantity and quality of available housing because they curtail incentives for builders to construct new housing and for landlords to maintain their existing properties. Their proponents, however, argue that, even if the old post-Second World War ‘hard’ rent controls had such an effect – and most vehemently dispute this – the newer ‘soft’ measures implemented since the 1970s do not. These ‘second-generation’ controls are much more flexible. They guarantee a fair return and allow landlords to automatically raise their rents with inflation, and when increases are justified by maintenance and improvement costs. Moreover, they typically exempt vacated units (‘vacancy decontrol’) and new rental housing, so they do not provide disincentives.

Nations with relatively large rental sectors, such as Sweden, the Netherlands, Germany and Denmark, have had strict rent controls in place, while those in Finland, New Zealand, the UK and the USA have been more lax (although some American cities, such as New York, have long histories with hard and soft rent controls). Other nations, including Canada, Italy, France and Norway, fall between these two poles. Specific regulations regulating contractual aspects of tenant–landlord relations have also been much stricter in nations such as Sweden, Austria and France than in Norway, the UK or the USA. Many nations have eliminated or relaxed rent control legislation with the rise of neoliberalism over the past two decades, leading to higher rates of evictions (OECD 2011; Gerull 2014; Stenberg et al. 2011).
Housing policy and social inequality

With considerable cross-national variation, marked housing disparities are manifest across various facets, including housing access and ownership patterns, housing standards (the condition and security of dwellings, the presence or absence of basic amenities and services), and the character of neighbourhoods (including how safe they are and the accessibility of good schools and libraries, recreation centres and parks, grocery stores and shopping centres, and public transportation networks). These inequalities are closely associated with poverty, homelessness and numerous other imbricated dimensions of inequality, such as income, wealth, health, education, employment, social status, social exclusion and segregation, and other related social problems. For most families their homes are the primary form of wealth that they will possess, and there is tremendous variation in their value. Many families live in substandard, insecure housing, in homeless shelters or on the streets. Substandard housing conditions have long been identified as a root of illness and disease. Mounting evidence amassed over the past two decades indicates that decent, affordable housing is not only critical to family health and well-being; it can also significantly improve educational outcomes for children (Lubell and Brennan 2007; Lubell et al. 2007).

Housing disparities are typically expressed across the same familiar fault lines and mutually embedded categories – including class, sex/gender, marital status, family size, race, ethnicity, national origin, religion, age, ability and sexual orientation – evident with most other social inequalities. Certain groups are much more likely to be poorly or insecurely housed because of structured patterns of inequality and institutionalized power relations which foster conditions that render them much more vulnerable (Olsen 2011). Women, for example, have both a heightened need for affordable housing and more difficulty accessing it, because they have also had lower incomes than men and greater responsibility for children across virtually every nation. Evictions reflecting these and many other socio-economic disadvantages and conditions, including domestic violence, are among the most salient causes of their high rates of homelessness. Within this socio-economic context women have been much more reliant upon social/public housing, family and housing allowances, and other state supports, and they have been especially adversely affected by neoliberal retrenchment over the past few decades (Kennet and Kam Wah 2011; Somerville and Sprigings 2005).

Housing disparities have also been closely linked to ‘race’, ethnicity and nativity in most countries. Structural racism, formal and informal policies and practices in housing departments, institutions and agencies, and the discriminatory attitudes, assessments, preferences and practices of landlords, developers, real estate brokers and others in housing markets have resulted in a wide range of housing inequalities and disadvantages for racialized groups, visible and ethnic minorities, new immigrants and refugees across much of Europe and North America. These inequalities include difficulties obtaining financing, lower rates of homeownership, a higher possession of substandard inner-city properties that are costly to maintain, over-representation in dilapidated, overcrowded rental housing, exclusion from housing waiting lists, segregation in impoverished inner-city neighbourhoods, and proportionately higher rates of evictions and homelessness. While ubiquitous, racial disparities in housing have been especially pronounced in some nations, such as the United States (e.g. Krivo and Kaufman 2004).

The assumption that blacks and whites would live in separate neighbourhoods was long supported by Jim Crow laws in the South and, in large northern urban centres, such as Chicago, Detroit, New York and Seattle, by ‘racial restrictive covenants’ – private, enforceable agreements between sellers and buyers of property not to sell, rent or lease property to specified minority groups, most commonly blacks (Jones-Correa 2000/2001). These agreements, which
became increasingly common after the US Supreme Court declared that existing city segregation ordinances were unconstitutional in 1917, allowed landlords, subdivision developers and real estate operators to legally bar blacks and other groups from owning or occupying property in particular neighbourhoods. Moreover, because the covenants were frequently enforceable on subsequent sales and purchases of the same properties, their impact was enduring. It was not until 1948 that racial restrictive covenants were also declared unconstitutional. In 1968 the federal Fair Housing Act (Title VIII of the Civil Rights Act) more explicitly prohibited discrimination across a wide range of housing practices related to sales, rentals, the provision of insurance and mortgage financing on the basis of race, colour and national origin, but racial steering, redlining and other entrenched discriminatory practices that long restricted access to loans, services and neighbourhoods helped ensure that large numbers of blacks and other minority groups would continue to reside in slums, ghettos and segregated housing projects, and to have markedly lower homeownership rates and higher rates of homelessness.

Even in nations with much more developed welfare states and housing supports than those in the USA, immigrants, refugees and minorities may reside in segregated mono-ethnic or multi-ethnic enclaves and exist on the economic margins. Focusing on eight European nations, Koopmans (2010) suggests that it is the interaction between integration policies and social policies and welfare states that is pivotal here. He argues that, in nations with developed welfare states and restrictive cultural policies (such as Germany, Austria, Switzerland and France), immigrants are, in effect, compelled by the state to desegregate and assimilate while in nations with multicultural policies but weak welfare states (such as the UK) it is markets that push them to do so. The combination of generous welfare states and multicultural policies in social democratic nations (such as Sweden, Belgium and the Netherlands), he somewhat counter-intuitively suggests, inadvertently fosters continued segregation among newcomers. Another cross-national study examining 16 European nations found the highest degree of segregation in ‘liberal’ cities and the lowest levels in ‘corporatist’ cities and Latin Rim cities, with ‘social democratic’ cities occupying an intermediate position (Arbaci 2007).

**Conclusion**

Housing policy has been more intimately connected to the market than have most other social policy domains. Although housing may be acknowledged as a ‘right’ in some nations, this has never been interpreted to mean public provision of free or subsidized housing for everyone. But some nations went considerably further than others to ‘correct’ their housing markets during the first few decades of the post-Second World War period, and their more extensive and robust policy interventions were markedly more successful in promoting access to housing. Striking national differences remain readily apparent today, but there has been a broad, general convergence in housing policy trends and outcomes since that period of policy innovation. Virtually all capitalist nations – irrespective of ‘welfare regime’ designation – have dramatically restructured and reoriented their housing policy domains through deregulation, privatization and marketization, and the enervation and recalibration of existing income supports, social services and protective legislation in line with global integration and new, related goals. Most nations now face a housing crisis characterized by a severe shortage of affordable housing, and by escalating inequalities, reflected in the growth of gated communities for wealthy families, more segregated, low-income neighbourhoods and rising rates of homelessness.

Housing policy approaches have been most dramatically overhauled in some of the nations that had the most developed and long-standing networks of measures in place, such as the UK and Sweden. In the UK – perhaps the most high-profile and iconic example of a neoliberal
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housing policy turnabout – decisive restructuring was set in motion soon after the election of the Thatcher Conservatives in 1979. Despite its common location in the ‘liberal’ regime, the UK surpassed many other nations in the provision of social housing (‘council housing’) after the Second World War. But new ‘right-to-buy’ legislation introduced in 1980 gave tenants the statutory right to purchase their council homes at greatly discounted prices and obliged local authorities to sell to them, making the tenants themselves central agents of the privatization. This realignment has been steadily reinforced by other government interventions, including: massive cuts to public housing expenditure; new strict controls over borrowing by local authorities that hampered their ability to provide, manage and repair council homes; greater tax breaks for homeowners; the promotion of private sector rental housing provision; and, in 2011, the introduction of legislation that allowed municipal authorities to discharge their legal duty to house the homeless by offering them private rental housing. This new policy orientation, promoted by both Conservative and New Labour governments – and the gentrification of working-class neighbourhoods – has culminated in severe housing shortages, and greater inequality and social division in the UK (Hodkinson et al. 2012; Jacobs and Manzi 2017; Walker and Jeraj 2016).

In Sweden, a nation with one of the most comprehensive and successful housing policy approaches in the world, the story is largely similar. Its integrated network of subsidies, regulations and social housing ensured that there was decent housing for everyone and fostered greater equality for over four decades. Subsidies encouraged developers to build rental housing, and income-related subsidies and housing allowances helped households to access them. Sweden also promoted access to the housing market through a system of Municipal Housing Companies (MHCs) that provided social housing accessible by everyone (rather than just low-income households), with strict regulations that blocked them from selling their housing stock to private companies. However, by the early 1970s the process of neoliberalization was already underway with the end of large-scale housing production through the termination of the Million Programme, and the replacement of strict rent control legislation with successive new laws that created a stronger position for private landlords and market-based rents. In 1991, restrictions preventing MHCs from selling their housing stock were lifted; in 2011, subsidies for social housing were removed, and the MHCs were obliged to compete on the same terms as private rental companies. Deregulation, retrenchment, privatization and marketization in Sweden, as in the UK and most other nations, has led to a housing shortage, segregation, greater inequality, and the introduction of exclusive forms of housing and ‘urban gating’ (Grandé 2017; Grandström and Molina 2016). Of course, cross-national housing policy differences still exist despite the dramatic upheaval in this policy domain; housing standards are still relatively high in Sweden; within the UK, Scotland has not embraced privatization and has had more success addressing homelessness; Canada and the UK have not experienced the housing market collapse that occurred in Spain, Ireland and the USA. But it is the broadly similar policy developments and their negative impacts that are the most glaring.

Notes
1 Following Beveridge, Torgersen (1987) refers to housing policy as a welfare state ‘pillar’, but it is better viewed as a social policy area or domain, with housing policy instruments that appear across the three central welfare state pillars: income supports (e.g. housing allowances), social services pillar (e.g. social/public housing) and social legislation (e.g. rent controls).
2 The tradition of state-built housing in the UK was initiated after the First World War through a housing and town planning act in 1919, and the stock of municipally built, heavily subsidized public rental housing for working-class families grew dramatically following the Second World War.
3 Sweden ended its system of subsidies for social housing in order to comply with European (EU) legislation on competition. In the Netherlands, another nation with a highly developed housing policy approach, the government had to introduce an income cap on who could apply for social housing in order to maintain its social housing subsidies (Grander 2017).

References

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