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# METHODOLOGICAL TRENDS IN INTERNATIONAL COMPARATIVE HOUSING RESEARCH

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## 1 Introduction

In 1989, OTB Research Institute for Policy Sciences and Technology (at Delft University of Technology) initiated a study of housing systems in several West European countries. The aim of this project was to gain deeper insight into how these housing systems function (see the Editorial). At a later stage, a comprehensive analysis will be made of their differences and similarities. That analysis will attempt to explain the observed variation.<sup>1</sup>

Before determining the approach and design of the research project, an inventory was made of previous international comparative studies, classified according to type and methodology (Boelhouwer and Van der Heijden, 1992). On this basis, the research design could reflect the main approaches in comparative housing research. This linkage was made with a view to the forthcoming explanatory analysis of the variation in housing systems recorded in the framework of the research project.

This contribution centers on the results of this inventory. It discusses the ramifications for the research already conducted and the consequences for the comprehensive analysis.

Different types of international comparative research that can be distinguished are treated in Section 2. Subsequent sections consider the approaches to the development of housing systems as applied in the main theoretical explanatory models. The ones dealt with are convergence theory (Section 3), provision-oriented and institutional approaches (Section 4), and the policy orientation (Section 5). Finally, Section 6 discusses how these perspectives are integrated in the approach and design of the research project. At that point, the comprehensive explanatory analysis is also discussed.

## 2 Forms of international comparative research

There are various ways in which international comparative (housing) studies can be conducted. Harloe and Martens (1987) distinguish three types of studies.

The first is research initiated by governments and international organizations emphasizing the collection of data; for instance, the numerous studies by the United Nations and the European Community. These publications provide a great deal of valuable raw data. However, they are mostly diffuse in aim, and much of their data is not comparable. But their greatest flaws are the lack of underlying theory and the absence of explanations for the features they describe. Rather than offering solutions to problems already identified, these studies tend to raise further questions.

The second type of study tries to overcome these drawbacks by inviting experts on each country to analyze different fields. Country Monographs are a good example of this type. In theory, this method represents a significant step forward, because these studies attempt to present information within a structured framework. The disadvantage remains, however, that a framework common to all country reports is unusual. As a result, it is not always possible to compare findings from different countries. Furthermore, these reports offer no explanation for differences between countries in regard to housing-market processes or housing policy. In brief, they lack an overall perspective.

Rather than concentrating on the main lines of policy, the third type of study seeks to compare specific instruments. Potential policy innovations often provide the impetus for such studies. Accordingly, the consequences of new policy instruments and the feasibility of introducing them are the focus of these studies. Examples include evaluations of the introduction of alternative forms of mortgages and schemes to promote owner-occupation. A recent example in the Netherlands is the renewed attention to the phenomenon of the building savings scheme. These studies, however, usually ignore the social and political context in which the various instruments of policy are implemented and their relationship to housing policy as a whole.

In recent years, academics have increasingly turned to studies of the differences and similarities in the way the housing market functions in various countries. These studies are based on a more fundamental and theoretically grounded methodology. The establishment of the European Network for Housing Research is one manifestation of this interest. In addition to describing the housing systems in different countries, the studies conducted as part of this research program also sought to explain the variations in the functioning of the housing market and point out the consequences of these differences.

In the following sections we shall consider how the variation in the development of housing systems can be analyzed, according to several approaches employed in international comparative housing research.

### 3 Convergence theories

As suggested in the previous section, it is important to adopt a uniform and comparable methodology in order to describe and explain the differences and similarities between housing systems. It is then possible to perform an analysis which covers all of these. In explaining the characteristics of housing systems, an appropriate theoretical framework can be used to relate developments in different countries.

One of these explanatory models, convergence theory, played a key role in social-scientific research until the mid-1980s, particularly in housing-market studies.

Wilensky et al. (1987) showed that socio-economic convergence theories have dominated decades of research into the development and functioning of the welfare state. This enduring paradigm presumes a relationship between the level of economic development and the level of public expenditure on welfare, such as social security, housing, and education. Notwithstanding the differences in cultural and social characteristics of different countries or societies, economic progress undermines the traditional structure of care, including assistance offered by families, the private sector, and charitable institutions. This process is also explained by the development of a complex post-industrial society.

Even though this theory has predominated over the past twenty years, it has provoked a good deal of criticism, particularly about the functional-mechanistic character of the theory (see, e.g., Giddens, 1976; Skinner, 1976; Kemeny, 1981; Kemeny, 1991; and Schmidt, 1989). Nevertheless, convergence theory still forms the theoretical framework of much social-scientific research, including most (comparative) housing research.

According to Schmidt (1989), much of this (comparative) research can be traced back to the work of Donnison, and particularly his 1967 book *The Government of Housing*. His central idea is that housing policy also converges because of an increasing correspondence between economic and demographic developments in countries and despite party-political, ideological and/or institutional differences between countries. In 1982, Donnison and Ungerson published a modified version of this important book. In it they distinguish between a marginal and an institutionalized housing policy. The former seeks to ensure a basic level of housing quality and concentrates on helping the weakest in society. The authors argue that this form of housing policy is principally followed by moderately developed industrial societies. As industrial growth continues, housing policy also takes on a more institutional form. The government then develops a complex policy directed not only to the construction of housing but also to the distribution and the management of the dwelling stock. In order to achieve this, an extensive set of policy instruments is developed. These are designed to ensure a degree of equity, an increase in the quality of housing, and a reasonable distribution of expenditure on housing. Despite clear differences in the political backgrounds of the respective governments, the increase in the scope of government

activity has been both quantitative (involvement in more fields of policy) and qualitative (more far-reaching policy aims). This increase is related to the rising expectations of a post-industrial society.

Many leading researchers still subscribe, explicitly or implicitly, to this point of view. Schmidt notes, quite rightly, that there is little empirical support for the principles on which this theory is based. The theory itself has led to hypotheses and a number of descriptive studies.

Another problem with convergence theory is the scale at which it can be applied (see also Doling, 1990). The theory was originally formulated to describe the development of a society in broad terms, often going back to the 19th century (see for instance McGuire, 1981; Adriaansens and Priemus, 1986). In order to test such theories, it often suffices to refer to aggregate data on government expenditure for core activities and other general macro-economic and demographic trends. However, expenditure levels and policy goals may fluctuate widely by sector and through time. This complicates comparison by way of the broad and general convergence theory. Still, it is interesting to explain the differences between the development of the specific policy sectors in the various countries.

A third point of criticism concerns the supposed outcome of the housing systems. In contrast to Donnison's position, government may be said to retreat rather than expand as the level of affluence rises (see for instance Kornai, 1971, pp. 240-262). In this context, Kornai refers to a crucial situation in the competitive market: glut or shortage of goods, also known as a state of pressure or suction. When housing-market shortages ease up, government supposedly retreats from housing, giving market forces more leeway (see also Van der Schaar, 1991b; Salet, 1991). Similar points are also raised with reference to urban renewal ('closing the gap'; see also Bourne, 1981; Priemus, 1983). This trend runs counter to the theory of Donnison.

In the past few years, alternative approaches have been worked out. These challenge the long-held orthodox view that housing policy is simply determined by the demographic and economic structure of a society. One current of thought attributes great importance to structures of housing provision. Another one interprets housing policy in terms of the political orientation of the government.

#### **4 Provision-oriented and institutional approaches**

An alternative approach to research, one that has proved its value in comparative housing research since the mid-1970s, is "a structure of housing provision" (SHP). This approach distinguishes among social groups that can influence the way in which the provision of housing and housing services comes about. The relationships between these groups must be defined in order to investigate many issues associated with housing. This approach explicitly recognizes that processes of change take place. As a result, the investigation of institutional changes forms a key empirical question for housing-related research (Ball and Harloe, 1990, p.

1). This is what distinguishes it from policy-oriented approaches to housing research, such as that discussed in the following section. The context in which housing-market processes operate is subject to continual change. To understand the changes in the provision of housing and housing services, it is precisely these institutional changes that have to be recognized.

The SHP approach analyzes the relations of consumption and production, as well as those of exchange. Many critics of this approach claim, erroneously, that it considers only the relations of production (Ball and Harloe, 1990, p. 3). Apart from that, the SHP approach is explicitly not presented as a theory of housing. It provides a context within which many housing-related issues can be examined. It certainly does not specify what theoretical approach should be adopted in explaining the differences observed. For this, one has to rely on existing explanatory models, such as those based on neo-classical, Weberian, or neo-Marxist theories.

Harloe and Martens (1987) also subscribe to the proposition that housing-market processes in every country are a product of the specific interaction between political, economic, and ideological factors. For instance, the size of the owner-occupied sector cannot be explained by the mere fact that a country supports a policy of privatization. In practice, the owner-occupied sector in the underdeveloped regions of France fulfils a completely different function than it does in, for instance, the South-east of England. Furthermore, countries organize their non-profit rented housing sector very differently. As a result, public-sector rented housing in, for example, Great Britain is much more vulnerable to policies of privatization than in the Netherlands or Denmark. A clear illustration of this is the sale of public-sector rented housing to sitting tenants. This policy was championed in the 1980s by various West European governments. And yet it was only in Great Britain that it met with any success. The paradox here is that the housing stock in Great Britain is mostly managed by local authorities, while in many other countries it is independent non-profit organizations that control the non-profit rented housing stock. Because Great Britain has a housing stock that is regulated to a considerable extent by the government, it was only there that the policy of the Conservatives had a chance of success.

As noted above, those subscribing to the SHP approach argue that it is important to describe and account for institutional structures in order to provide a satisfactory explanation of housing-market processes. Among these structures, they include the different financial mechanisms, the development of the construction industry, and the government's land-use policy. Of course, these structures have their origins in past ideological and economic developments.

The approach advocated by Harloe, Ball and Martens is similar in many ways to the corporatist-oriented approach. The first approach is really more comprehensive, however. In the second, the interaction between government and the diverse groups involved in the housing market is central, and the financial and administrative links between these are considered important (see, e.g., Lundqvist, 1988). These groups are integrated in what can be described as a liberal-corporatist policy system. This system has two important characteristics.

First, market organizations work closely with the government; as a result, there is a degree of direct control over the market. Secondly, these market groups are prepared to take on certain functions, they do so in exchange for preservation of stability in the market and in return for financial and administrative support. This system is strengthened by the fact that many policy decisions are made on the basis of negotiations which outside parliament. These take place between representatives of those involved in the housing market and high-level government officials responsible for deciding policy (for example, the discussions in the Raad voor de Volkshuisvesting (RAVO) (National Advisory Council on Housing) in the Netherlands).

## **5 Policy-oriented approach**

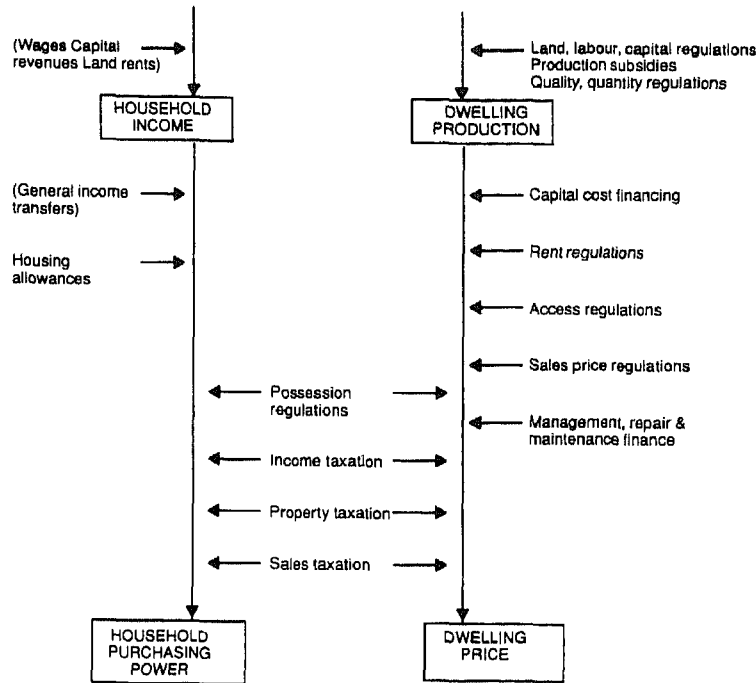
As we noted in Section 3, the policy-oriented approach is an alternative to traditional convergence theories. This alternative approach is discussed in detail in a paper by Lundqvist (1990). One of its main tenets is that, in addition to analyzing the aims of policy and evaluating the policy eventually introduced in different countries, the background to these decisions has to be studied, as manifest in the differences in their local contexts.

For this purpose, Lundqvist suggests (1990, p. 3) that the housing market can be regarded as a system characterized by a perpetual process of adjusting households and dwellings to each other by the constant interaction between producer supply and consumer demand. The results of this process vary between two extremes: the principle of "housing for everyone according to their needs", and that of "housing on the basis of effective demand". In connection with this, two fundamental factors are distinguished: the purchasing power of households, and the cost of housing. This distinction is applicable in every country. It follows then that governments can take measures to influence both or either of these. In other words, the government can intervene to regulate the quality, the quantity, and the price of the factors of production, the level of new housing construction, and the size of the existing housing stock. Further, the government can influence the way in which households are related to the housing stock by setting the allocation and distribution criteria. Of course, the government can also intervene by taking financial measures. Housing policy can influence the costs of new housing construction and/or the purchasing power of households.

According to Lundqvist's approach, housing policy can be classified according to certain features identified in terms of analytically distinct categories. These, in turn, provide a framework for comparative housing research. Such a division is outlined in Figure 1.

The figure indicates the possible courses of action available to governments in housing processes. Just as importantly, it also shows the courses of inaction. In either case, the context in which governments determine their housing policy can serve as a frame of reference. An analysis of the policy options based on this

**Figure 1 Possible avenues of government intervention in housing**

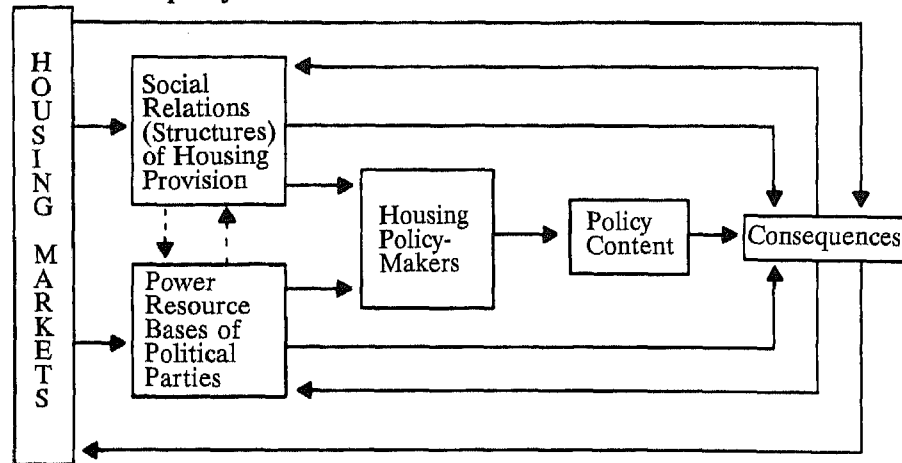


Source: Lundqvist (1990, p. 4)

classification is therefore independent of the political characteristics of the government in power and of the policy discussions in vogue in a country at a certain point in time. The analysis only pertains to policy measures actually implemented and the evaluation of their effects. This division allows the researcher to identify which regulations governments opt for. Thus, this classification elucidates how governments operationalize their policy goals in practice.

Yet analysis of the content of policy provides no explanation for the direction of government involvement. This can only be explained in relation to its present context. Lundqvist (1990, p. 6) notes that although political actors have a certain autonomy in realizing their political-ideological intentions, they use their "power resources" in a structural-institutional context which constrains and/or promotes policy choice. The question remains, of course, how similar institutions influence the actions of government. Here Lundqvist draws on the "structure of housing provision" discussed above or, more generally, the institutional approach. The way in which the provision of housing and housing services is organized can be regarded as main institutional context determining housing policy. The existing relations are partly institutionalized by the effects of earlier developments in policy and in the market and partly modified in response to develop-

**Figure 2** An analytical framework for housing studies, focusing on housing policy



Source: Lundqvist (1990, p. 7)

ments in the housing sector. These relations set the parameters for discussions on housing. As we have already mentioned, different countries have developed specific institutionalized models of housing production and distribution for various sectors of their housing markets. These structures channel the actions of individuals and social groups and have a clear influence on the policy options. This does not mean, though, that policy is primarily determined by interest groups and that politicians can thereby be regarded simply as puppets. Of course, important political movements in a country are able to use the power at their disposal. In fact, there is an underlying balance of power or power game whereby politicians and policy-makers among other players, determine developments in housing. On the basis of these considerations Lundqvist arrives at the diagram reproduced in Figure 2.

According to Lundqvist, the above approach has several advantages. First, research concentrates on housing policy and thereby avoids a narrow approach. Policy is considered to be the most important factor, although it does not directly account for the functioning of the housing system as a whole. Furthermore, the role of institutional factors is put into a firmer theoretical context. By analyzing the power base of political movements, this model links analyses of housing more closely to research on the welfare state, as carried out by other disciplines.

It is imperative to consider the consequences of any housing policy. In this scheme, policy is regarded as one of the independent variables accounting for change in the housing market. But the influence of other factors is also recognized: market developments, fluctuations in the supply of housing, socio-economic development of households.

While acknowledging the importance of these factors, policy remains central to the analysis. It can thus reveal whether policies actually bring about the changes intended and whether it is possible to implement similar policies in other housing systems. Furthermore, in the policy-oriented approach to housing research, such as that advocated by Lundqvist, the effects of policy must be measured in an intelligible way. The classifications given in Figure 1 would serve that purpose.

The more detailed account of the policy-oriented approach presented in 1990 dispelled much of the earlier criticism voiced by researchers favoring other approaches (Ball et al., 1988; Harloe and Martens 1984; and Van Vliet, 1990). These researchers believe that an analysis of housing policy (conceived as a narrowly formulated set of objectives) and the degree of government involvement in the housing market has little value. This is because the aims of the government are mostly too general to be evaluated efficiently. Moreover, the policies are often unsuccessful, and the results of government policies cannot always be determined accurately. Above all such policy-oriented studies place too much emphasis on the consumption of housing and housing services. According to these authors, the essential influence of factors of production (and the organization of these factors) is underestimated (see also Section 4).

Lundqvist suggests that the policy-oriented approach to housing research offers many advantages over other approaches, and particularly the approach in which the provision of housing and housing services serves as a general frame of reference (see Harloe and Martens, 1984). Lundqvist claims (1990, p. 12) that this is also implicitly admitted by Harloe and Martens when they remark that the most important task facing future comparative housing research is the analysis of broad contextual changes and the way in which different countries try to react to these.

The approach that Lundqvist advocates accords with other theories, such as that of "Labor Movements", or the concern with the dimensions of party politics and ideology (see also Esping-Andersen, 1985; Himmelstrand et al., 1981; Korpi, 1978, 1983). As yet, there has not been much empirical support for these theories. For instance, it has never been demonstrated that housing quality and housing expenditure are higher or more equitably distributed in countries with a social democratic government than in countries run by conservative parties. The housing sector can be considered as a special institution peculiar to the welfare state, as both political and market parties interact in characteristic ways (see also Adriaansens and Priemus, 1986; Torgersen, 1987; Van der Schaar, 1987, 1991a). What is clear, however, is that apart from the party politics prevailing in a country, the general ideological direction or the collective norms and values of a society determine the development of the housing system. Thus, in most cases, it is necessary to separate party politics from the more general ideological dimensions (see also Boelhouwer and Van der Heijden, 1992). In addition, it is important to make a clear distinction between the ideology and the policy proposals emanating from it, on the one hand, and the eventual policy results, on the

other. Under the influence of exogenous factors, these can be very different in practice.

## **6 The approach to an international comparison of housing systems**

The above sections have summarized several methods and approaches employed in international comparative housing research. Given the vehement polemics that occasionally erupt among exponents of these approaches, both in the literature and at conferences, it would seem that the differences between these approaches are unbridgeable. In practice, though, this is not the case. In recent publications, these authors acknowledge that each of the methods contains valuable features that sometimes complement each other (see Lundqvist, 1990; Oxley, 1990). In addition, these approaches do not purport to employ a universal explanatory model. Rather, they suggest methods and techniques which seem to provide insight into housing-market processes. For an explanation of these developments, one usually has to revert to more general theories, such as neo-classical, Weberian, and neo-Marxist explanatory models. Exponents of the various approaches tend to agree on the subjects and aspects that comparative research should treat. All these different approaches recognize the importance of factors outside the sphere of housing. It is only in terms of actual interpretation that they differ from one another. According to convergence theory, these factors explain the differences between housing systems. Other approaches regard these factors more as the context within which housing processes take place. But all of these approaches devote attention to how adaptation to changing circumstances takes place. This can occur as the result of government policies (policy-oriented approach) or through activities of various social groups that influence the provision of housing and housing services (provision-oriented and institutional approaches).

Besides exogenous factors (socio-economic, demographic, administrative-institutional, and spatial), the arenas of the housing system form a crucial aspect of international comparison. They encompass housing and urban renewal policy and the organization of the markets for housing and residential construction. Within these arenas, the actors and (as output) the housing market characteristics also play a key role. Those characteristics include size and quality of the dwelling stock, average household density, volume of new construction, distribution of households over the dwelling stock, and the housing quote.

The design of our study of housing systems in several West European countries was specified in separate parts, inspired upon the themes that predominate in the different approaches employed in international comparative housing research. This design is discussed at greater length in the Editorial.

In view of the findings of this investigation, steps were recently taken to carry out a comprehensive analysis of the differences and similarities among the housing systems in the countries included in this project. In this comprehensive analysis, the various scientific approaches and theories play an important role.

Analysis of the approaches and their explanatory power leads to an integrating framework. And it is within that framework that the diverse systems become amenable to comparison. The results of this study may draw attention to the options for development of the housing systems in the countries studied here. In that case, the main issue is whether in the future the systems will converge or diverge under the influence of European economic and monetary union.

#### Note

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