Critical realism and housing studies: An explanation for diverging housing solutions.

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Chapter 4 Alternative Theories for the Composition and Dynamics of Housing Provision

4.1 Introduction

Housing is a very complex object to study and there are many different ways to perceive modes of provision. This Chapter provides a critical review of existing ontological frameworks for perceiving housing and its many, multi-faceted dimensions.

As outlined in Chapter 2, ontology refers to be nature of reality and how it is to be perceived. In this case the nature of the social world with specific reference to housing provision. Critical realism (CR) is a philosophy of science with a particular ontological perspective. This entails a structured notion of reality with related, overlapping domains of real (mechanisms), actual (events) and empirical (experience).

The following discussion concerns a purposeful selection of perspectives in housing studies that fall within one or more of these ontological domains. Some perspectives locate the reality of housing provision wholly within the realm of actors perceptions (strong social constructionism), others stress the significance of officially recorded and observed quantitative or qualitative events (econometrics, historical biography). There are also perspectives that stress the significance of potentially unobservable social structures (structures of housing provision). Often, ontological perspectives in housing studies implicitly incorporate several domains of reality (experience, events and mechanisms), as identified by CR.

To begin, it is helpful to recall the multiple meaning housing holds for different, often conflicting, agents involved in provision: the households, land developers, financiers, producers, and multiple government agencies, which all have roles to play. For households, a dwelling may provide shelter, sanctuary or sense of ‘home’. Access may imply a bundle of rights and responsibilities and ownership a symbol of social difference, or source of economic burden. Other agents clearly hold different perspectives: as capital investment; rental return; a form of social control or solution to social demands.

Given these different often-conflicting perspectives, what is the most appropriate and comprehensive way to view forms of housing provision? The next section moves from subjective, singular perceptions of provision to consider the contribution of sociology, geography, economics and political science towards an ontology of housing provision and change.

4.2 Competing Housing Ontologies

The following selective description moves across a continuum of competing housing ontologies, from those that are strongly agency oriented, to those in the more structuralist camp. This is a useful way of ordering what can appear to be a random selection of approaches. It enables the reader to distinguish between ‘flat’ and ‘deep’ ontological alternatives: those that reduce reality to empirical data sets, or emphasise the role of actors, institutions, and more durable and pervasive social structures. A summary is provided in tabular form following a short discussion.
To begin with perspectives which place actors in the driving seat of housing provision. *Social constructionism* emerged during the 1980s to counter functionalist structural theory. Just as pluralism was dismissed as in the 1970s, structuralism has now fallen out of favour for several reasons: its tendency towards theory determinism, diminution of individuals to dopes, and inability to explain difference and change. A post-modernist and post-structuralist turn now dominates theoretical developments and social constructionism, with its actor centeredness, has taken centre stage (Sayer, 2000).

*Social constructionists* take lay perceptions of housing very seriously. They consider that everyday concepts provide the basis for many housing related actions (Blaikie, 1993:177). Strong social constructionists claim that housing reality only exists at the level of experience and that it is not necessary to look beyond the reality perceived by actors (Brandsen, 2001, Winter, 1994). Weaker social constructionists acknowledge the importance of meaning and identity in shaping actions, but also look outside the realm of subjective perception, to examine the material and socially constructed influences shaping agency (Kemeny, 1983).

There are a number of housing ontologies that try to bring various institutions and market processes into the realm of view (Boelhouwer and Van der Heiden, 1992; Oxley and Smith, 1996; Ambrose, 1991). Of these, Ambrose’s Chain of Housing Provision (CHP) highlights the variety of organisations involved in different phases of housing provision and political, economic and social forces that influence them (Ambrose, 1991, 1994; Barlow and Duncan, 1994; Doling 1997). This approach is very useful in placing housing in a wider context and recognising the different interests involved throughout provision. Linked housing phases or tasks include development promotion, investment, construction, allocation, maintenance and redevelopment. Any one of these tasks may be undertaken by private (for profit or non-profit) or public agents. Their actions are subject to effective demand and need, influenced by levels of savings and spending, cultural and demographic factors and statutory responsibilities. A diagram illustrating the CHP approach is provided in the Appendix 1.

However, Ambrose’s holistic scheme is neither complete nor objective. Market interactions only seem to appear in the allocation phase. Land transactions, defined by property rights and market conditions, are left out altogether. The scheme also implies that democratically elected public sector agencies are more responsive to need, whilst other providers, only to effective demand (see appendix 1a for an elaboration). This could promote a rather uncritical and oversimplified conception of state-market relations and responsibilities, which other housing ontologies have tried to overcome (esp. Marcuse, 1986). Doling (1997) attempts to emphasise particular links in the chain, linking ‘land’ and ‘building materials’ with ‘construction’ and ‘finance’ across all stages. Yet the problem still remains that processes in the chain seem to ‘float’ and the real relations that bind them remain vague. An elaboration of Doling (1997) is provided in appendix 1b.

There are a number of researchers who try to explain differences in state-market relations affecting housing provision by placing housing agents in their specific political contexts. Notable amongst these is Lundqvist (1992), who examines different forms of market intervention in housing provision under various political coalitions and institutional settings. According to his theory, market weak political parties use their power resources (constituencies) to move the boundaries of state-market relations in their favour, promoting non-market, public interventions in the housing market to reduce consumption costs. Lundqvist’s typology of state interventions is illustrated in Appendix 2. The actions of such
parties are influenced by their perception of other actors in a competitive political environment or institutional setting, the direction and extent of past housing policy and tenure forms, and the policy networks (public bureaucracy and organised private interests) which support them. Whilst Lundqvist’s power resource-institutional theory is an advance on benevolent perceptions of the state (Marcuse, 1986), it is blinkered by the boundaries of his own discipline of political science, blocking out other important dimensions of explanation, namely the economic relations of housing provision.

Unlike Lundqvist’s model of political resources, econometric models examine market interactions of aggregated categories of individuals, based on numerous assumptions concerning consumer choice, market and sub-market characteristics. The notion of a housing market or sub-market (Paris, 1993) implies more than the mere interaction of buyers and sellers, but a mechanism for the production and distribution of housing. However, often crude theoretical assumptions are embellished in market models, such as rational choice or equilibrium theory, and adopted as essential market attributes (for a critique see Barlow and Duncan 1994; Paris, 1993; Maclennan, 1982; Whitehead, 1974). The contrast between perfect markets and market failure is amplified, promoting the removal of regulation impeding open competition, in order to maximize available ‘choice’, usually based on ones capacity to pay. There is also a danger that markets are treated as closed systems, cut off from other market segments and downplaying their unpredictable contingent conditions. Depending on the quality of the data and of the model itself, market transactions (i.e. interactions between people) may become overly aggregated and generalised, isolated from relative social and material contexts and submerge important socio-spatial differences (contrast Leuvensteijn and Koning, 2000 with Lawson, T 1997).

In contrast to traditional, econometric models, housing provision can also be perceived as a system of economic interactions embedded in an institutional setting (Bengs and Rönka, 1994; Ball, 1998; Boléat, 1985; Whitehead, 1974). This setting can be defined in many different ways: as a set of norms or conventions as in behavioural theory; or rules guiding actors, as in game theory; a coherence of rules, actors and ideologies as in regime theory; or interacting modes of capital accumulation and social regulation, as in regulation theory. The main thrust of all these approaches is to move away from simplistic notions of rational choice, equilibrium, closed and ‘free’ markets, to acknowledge the importance of environment in shaping housing related interactions. In other words, markets are not free but socially constructed, emerging from important power relations and contingent conditions and enacted by agents with different and conflicting (not always rational) interests. A good example of the social and material construction of housing markets is the empirical study by Bengs and Rönka (1994), which highlights the degree of vertical or horizontal integration between companies involved in different phases of provision, i.e. land development, housing construction and mortgage provision, generating monopolistic tendencies in Finnish housing provision.

The argument that space mediates broader economic and social process (such as de-industrialisation and globalisation) prompted a number of local and regional studies in the United Kingdom and Scandinavia during the 1980s. Difference in forms of housing provision also emerged as an important theme and debate in urban and housing studies (Duncan and Barlow, 1994, Elander, 1991; Dickens et al 1985). Various theories of explanation emerged and are elaborated upon in the following section under the themes: welfare regime shifts, crisis model, generative mechanisms, and regulation theory.
Towards more structural approaches along our ontological continuum, we find a number of housing approaches that stress particular social relations shaping forms of housing provision. In capitalist societies, some aspects of housing production, exchange and consumption may become highly commodified, whilst others remain decommodified. Exploitation of surplus value may occur within land transactions; whilst securing development rights; employing labour and materials; in the exchange of dwellings; and ongoing housing maintenance. Further, consumption of certain forms of housing may demand participation in the paid labour market and (re) enforce certain modes of domestic labour exploitation (i.e. unpaid, gendered, unevenly shared). The Structure of Provision approach (Ball, 1998, 1992, 1983) provides a meta-framework, but no universal theory, to promote more comprehensive analysis of relevant social relations when examining different forms of housing provision. A diagram illustrating application of the SHP approach to home ownership in Britain is provided in Appendix 3.

Along similar lines, a strong urban political economy stream has emerged in housing studies, focusing upon the social relations of housing provision, and providing explanations for differences in various countries (Berry, 1999; Barlow and Duncan, 1994; Stone, 1986; Stillwell, 1986, Watson and Austerberry, 1986; Ball, 1983).

4.2.1 Summary of Ontological Alternatives for Perceiving Forms of Housing Provision

The following table (1) provides a concise summary of a number of different ways to perceive housing provision as promoted by key authors in the field, loosely ordered from agency to more structurally orientated sociological world views. It is always a danger to place particular authors in categories. Not only the categories may need revision, but the selection of authors may miss the mark, some may have moved on or belong to several different categories. Yet I invite debate on this first attempt, especially where it helps to clarify different perspectives and highlight the significance of ontology and causality in housing studies.
<table>
<thead>
<tr>
<th>Agency</th>
<th>Structure</th>
<th>Housing research streams</th>
<th>How is housing perceived?</th>
<th>Main proponents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Postmodernism and multiple realities</td>
<td></td>
<td>Traditional social science is challenged, by arguing that there is no uniform reality. ‘Modern’ society is replaced by a fragmented ‘Postmodern’ world, which has multiple realities and meanings. Thus housing provision is a social construction to be analysed through the deconstruction of multiple and shifting symbols and discourses.</td>
<td>Soja 1989; Watson &amp; Gibson, 1995; Michael &amp; Pile, 1993.</td>
<td></td>
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<tr>
<td>Political, cultural and economic meaning of housing action</td>
<td></td>
<td>Focuses on the subjective understanding of housing ascribed by different class (social), status (economic) and party (political) groups, which influence their rational and motivational actions. There is a focus on the meaning of tenure in determining class, status, or party membership and its influence upon rational, value based, emotional, or habitual social action.</td>
<td>Weber, 1968; Winter, 1994; Rex &amp; Moore, 1967; Saunders, 1979.</td>
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</tr>
<tr>
<td>Social construction of housing knowledge and institutions</td>
<td></td>
<td>Emphasises the geo-historical origin and subjective understanding of housing institutions (rather than on their material construction). Harloe for example, emphasises the shifting perception of mass social housing in reproducing of wider social systems. Kemeny examines the reinforcing relationship between ideology and housing policy promoting home ownership.</td>
<td>Harloe, 1994; Kemeny, 1983; Brandsen, 2001.</td>
<td></td>
</tr>
<tr>
<td>Econometric models</td>
<td></td>
<td>Models of market interactions of individuals, based on numerous assumptions concerning demand and supply of housing. Often a neo-classical ideal is compared with actual market failure, leading to recommendations to remove impediments to perfect competition. Different assumptions may inform models: rational choice; acknowledging the role of consumer aspirations; specific norms and institutions in market interactions.</td>
<td>Van Leuvensteijn and Koning, 2000; Hakford &amp; Matsysnak 1999; Fulpen, 1985; Maclellan 1982.</td>
<td></td>
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<tr>
<td>State Market Mixes</td>
<td></td>
<td>This approach focuses attention of forms of public and private intervention in various aspects of housing finance, production and consumption. Lundqvist provides a taxonomy of intervention alternatives. He then examines the power resources of market weak and market strong constituencies and their representative parties, influencing collective and privatised forms of welfare.</td>
<td>Lundqvist, 1992; Barlow &amp; Duncan, 1994.</td>
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<tr>
<td>Chain of provision</td>
<td></td>
<td>Focuses upon the accountability, powers and motivations of private, public and voluntary sectors in the housing process. This process comprises promotion, investment, construction, allocation and management phases of housing provision interacting with land, labour, finance and subsidy and wider socio-economic conditions. Examines the channelling of subsidies up and down each stage of provision and their distributional outcomes in different countries over time.</td>
<td>Ambrose, 1991, 1994; Ambrose et al, 1998; Doling, 1997.</td>
<td></td>
</tr>
<tr>
<td>Housing as a system of economic and institutional relations</td>
<td></td>
<td>This approach stresses the spatial and temporal embeddedness of institutional relations, open market structures, and shifting regulatory environments influencing the provision of housing. The main thrust of all these approaches is to move away from simplistic notions of rational choice, equilibrium, closed and ‘free’ markets, to acknowledge the importance of environment in shaping housing related interactions.</td>
<td>Priemus, 1983, Murie, et al 1976; Bengs &amp; Ronka, 1994; Oxley &amp; Smith, 1996; Whitehead 1974; &amp; Bélêt 1985.</td>
<td></td>
</tr>
<tr>
<td>Spatial differences</td>
<td></td>
<td>Rather than focus on national models of housing provision, these researchers seek explanations for differences in housing in the mediation of global, national and local influences.</td>
<td>Gregory &amp; Urry, 1985; Elander, 1991; Dickens et al 1985.</td>
<td></td>
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<tr>
<td>Social relations and structures of housing provision</td>
<td></td>
<td>Focuses upon the social relations influencing housing provision, acknowledging the ideological and material circumstances, which influence the structure of housing provision over time and space. This approach combines an understanding of social relations with the social agents involved in production, allocation, consumption and reproduction of housing. See Appendix 3.</td>
<td>Dickens et al, 1985, Ball, 1998, 1992, 1983, Berry, 1983, 1998; Harloe, 1995, Harloe &amp; Martens, 1983.</td>
<td></td>
</tr>
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</table>

Table 4.1 Ontological alternatives concerning the key dimensions of housing provision
4.2.2 A Critical Review of Ontological Alternatives

The above discussion outlined a number of different ways to perceive the provision of housing, ordered from agency to more structuralist approaches. It is now time to make an explicit and justified selection of useful concepts to be adopted and refined for the purposes of explaining difference and change in divergent forms of housing provision.

First and foremost, this selection is made from the ontological position of critical realism (CR) as outlined in Chapter 2 and briefly in the beginning of this Chapter. This ontological approach demands that housing be considered as a complex object, structured by the experience of agents whose (in) actions are influenced by socially and materially contingent contexts, past events in housing history and constrained by more durable social relations pervading forms of provision.

A number of ways of perceiving housing provision clearly fall outside this ontological approach. Namely, approaches that narrowly confine housing reality to the perception of actors, empirical data sets, organisational charts or official policy history. These ontological perspectives are too ‘flat’ reducing complex structured reality to observable, recorded and experienced ‘facts’, ignoring the possibility of influences ‘beyond view’.

Strong social constructivism, which places much emphasis upon the perception and actions of actors, is also at odds with a critical realist approach. The perception of housing consumers, producers and policy makers is indeed socially constructed but also materially constrained. A person may think of their home is a castle, but in reality it may be something quite different, and it is the role of the researcher to appreciate this. In Sayer’s direct words:

> of course knowledge and social phenomena are socially constructed; but that doesn’t mean external phenomena (including existing material social constructions) cannot influence our interpretations. Nor does acknowledging that we are studying social constructions mean that many social phenomena cannot have a structural integrity that limits and enables what they can do; in other words recognizing their socially constructed character is not a licence for a kind of voluntarism (Sayer, 2000:91 referring to Malik, 1996).

Nevertheless, researchers are also bound by their own limited perceptions of reality. Often the available data becomes ‘larger than life’ - and life rather less convincing. Take for example Income Panel Data used to econometrically test the famous ‘Oswald’ thesis, which argues that homeowners are less mobile and flexible, in employment terms, than renters (Van Leuvensteijn and Koning, 2000). Little mention is made of significant and complex economic and social relationships that may affect labour mobility outside the realm of the single breadwinner.\[12\] As the data analysed simply didn’t cover these potentially important dimensions, a more comprehensive explanation could not be given. Such research may require more intensive qualitative case study research investigating carefully conceived social

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\[12\] These social relations may include their investment in ownership (and other sources of savings), the transaction costs associated with moving out of ownership, the implications for the division of domestic labour, the need to replace two (not one) incomes, the relative cost of ownership in the new job locations, and the relative value placed on socio-cultural aspects of the living environment (social status of current/proposed location, tenure, kinship and community networks, education of children, etc).
relationships, rather than the continuous search for regularity within extensive aggregated data sets.

Other forms of categorisation and representation may also cloud housing reality. Organisational charts, such as those produced by Oxley and Smith (1996) and Priemus (1983, 1992) quickly portray complex organisational relations in certain aspects of housing provision. Unfortunately they tend to be rather static, date quickly and give little insight to the nature of influential relations between agents (financial dependence, territory of influence, form of allegiance) or their materially or socially constructed context (market conditions, ideological hegemony, etc.). Nevertheless, a series of such charts would be preferable, highlighting the dynamic interaction between various actors in their dynamic institutional setting, subject to key social relations (Hayward, 1992).

However, several approaches outlined in section 4.2 can be integrated to provide a more comprehensive housing ontology.

At the agency end of the spectrum, the notion of weak social constructionism (Sayer, 2000) can help explain actors’ agency in housing provision. This concept recognizes the influence (but not determinism) of meaning and dominant ideologies that influence the perception of different housing actors (Harloe and Kemeny) in their material and socially constructed contexts.

Towards more institutional approaches, the power resources concept of Lundqvist recognises uneven position of different actors in housing provision (Lundqvist). It draws attention to the power of certain types of coalitions that may form to promote more commodified or decommodified forms of provision.

A more comprehensive account would emerge from a synthesis and elaboration of Ambrose’ Chain of provision and Ball’s structure of housing provision. These ontological frameworks highlight the different and related elements of housing provision, each subject to its own institutional network, competing ideologies, economic relations and power coalitions.

Finally, there are no universal laws guiding housing provision over time and space. This does not imply that influential social structures do not exist (Ball). Rather, concrete research is required to define key generative social relations of housing provision (Dickens et al), such as property (Berry), finance (Boléat) and labour (Sommerville, Hamnett) as they emerge over time and space.
4.3 Why do Housing Systems Change?

Building on the selected concepts for perceiving housing provision, this section critically reviews different explanations for change in forms of housing provision. Once again, change, and explanation of its' causes, are evaluated from the chosen ontological perspective of CR. A number of 'middle-range' notions of causality are introduced and summarised in tabular form. At the end of this section, arguments for a particular 'middle range' notion of causality are put forward.

Critical realists perceive change and causality in a specific way:

*The conception of causal relations as tendencies, grounded in the interactions of generative mechanisms; these interactions may or may not produce events which in turn may or may not be observed... the realist conception of explanation involves the postulation of explanatory mechanisms and the attempt to demonstrate their existence.* (Outhwaite, 1998:282)

The tentative 'may or may not' notion of causality stems from the realist conception of society and sub-components such as networks of housing provision, as open, dynamic and changing (Lawson, 1998:149). We cannot predict with certainty what will happen tomorrow, as there are so many contingencies that can mediate actual events. Sayer (2000: 13-17) makes this point clearly. Given the structured nature of reality (experience, events and real relations) the relationship between cause and effect is not a direct one, but mediated by contingent conditions that may impede, block or exaggerate an effect. Thus, the discovery of (partial) empirical regularities (correlations) provides no proof of causality, especially in an open and contingency laden system. The search for causality involves the exposure of necessary relations forming underlying causal mechanisms, which begins with the following contrastive and counterfactual questions:

1. What does this form of housing provision (A) presuppose (B)?
2. Can this form of housing provision (A) exist without the above (B)?
3. How does change in (B) relate to a change in the state of (A), given the open, interactive nature of housing provision?
4. Does the postulated causal mechanism (B) provide an empirically adequate explanation?
5. What is the relative explanatory power of the postulated causal mechanism (B) compared with other competing hypothesis (C, D)?


Thus the challenge is to reveal the pervasive social relations and their contingencies of generative significance to diverging forms of housing provision.

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13 Although it may provide stimulating clues! (see Lawson, T. 1998:149-152).
4.3.1 Competing Notions of Causality in Forms of Housing Provision

Critical realism offers a specific notion of causality, pitched at the ontological level of ‘being’. There are many other ‘middle range’ definitions of causality relevant to explanations of change in housing provision and a selection is outlined below. Not all of these are compatible with or adaptable to the realist approach and their relative merits are discussed following the summary table.

Once again the selection is loosely ordered according to the agency-structure continuum, as applied in section 4.1. This enables the reader to distinguish between more superficial (flat) or comprehensive (deep) ontologies, which may be implicit in any notion of causality.

We begin with Random Utility Theory, which perceives human agency as the making of choices between alternatives on the basis of observed and unobserved attributes, differences in tastes between the decision makers, and uncertainty or lack of information. Little is theorised about the referents of these choices, i.e. the material and socially constructed world that lies outside the individual. Institutions shaping choices are left out in a world perceived as cumulative outcome of random choices. Such theories are most commonly applied in studies concerning consumer behaviour in the housing market or housing demand (Maclellan, 1982). Given a range of choices, housing consumers are assumed to make optimising decisions. The outcome of these decisions stimulates supply to meet demand. Changes in forms of housing provision, such as rising rates of home ownership, are explained as a calculated outcome of cumulative consumer preference.

More complex theories of human agency include Chaos theory, poetically defined by Young as follows:

In the world of actual, living, thinking and acting human beings, Chaos theory opens up space for human agency in ways not possible in either God-hewn worlds or in clock-like models of social life. Chaos theory provides empirical grounding for an exercise of human agency in which infinite variety, plurality of centers, and the variability of postmodern sensibility most comfortably rests. (Young, 1992:1)

So what does Chaos theory imply when explaining change in systems of housing provision? According to this theory of change, the significance of human agency varies according to the degree of order and disorder. Windows of opportunity for agency open during periods of flux or disorder.¹⁴ During such times key agents such as policy makers, banks, angry tenants and bankrupt owners, may fill available space for action and expand their scope for human agency, to push for new rules and processes that contribute towards a ‘new order’ in housing provision.

In contrast, Rational Choice theory (RCT) paints a more purposeful, linear picture of social causality. The emergence of norms and institutions based on notions risk and trust has been explained from an individualist, rational choice and exchange perspective that derives from neo-classical economics (Olson, 1965) and behavioural psychology (Simmel, 1955).

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¹⁴ For example during a period of economic crisis, a radical shift in thinking about the role of government, excessive housing costs, or high mortgage defaults.
RCT implies that members of a group, community or society act individually or collectively in order to maximise their own personal utility (Somerville, 1999). People compulsively make decisions, in a competitive environment that maximise their desired value and potential rewards. Collective choices are made to minimise individual costs and maximise group advantage, spreading costs more thinly across a group of members (Ostrom, 1990). The common resource pool over which struggles occur defines the context of choice and value. In this way RCT aims to explain the rules guiding individual and collective behaviour. This theory perceives forms of housing provision as the cumulative outcome of rational individual and collective choice. RCT has prompted complex construction of behavioural models, applying ideas from game, exchange, transaction cost and strategic interaction theories (Jary and Jary, 1991).

The concepts of risk and trust have been strongly associated with RCT (but not necessarily so) particularly in studies of organisational and inter-firm behaviour. To minimize the transaction costs between agents engaged in an exchange process, certain norms, rules and processes evolve, such as contracts and standard forms of payment, suitting certain markets and technological resources and minimising the "expense and risk of unwanted outcomes" (Ball, 1998).

Trust is also a concept that has been applied to macro as well as micro political, cultural and economic phenomena. Tied to a social system of role expectations, trust is said to be the lubricant of social exchange at the "outer limits of social systems" (Sargent, 1999:1694). Trust concerns the partners' ability to perform as expected, reliably, without opportunistic defection. Co-operative dependence will occur when two or more partners believe that opportunistic behaviour is unlikely to occur, based on perceived propensity for abuse and the incentives for opportunistic behaviour (Nooteboom, 1995:12). Erosion of trust necessitates the development of codes of behaviour, formalised monitoring, extensive, coercive contracts and penalty systems. According to this group of causal concepts, the interaction of risk reducing strategies and trust enhancing norms cumulatively builds the institutions underpinning different forms of housing provision.

Both concepts: risk and trust, have recently entered the field of sociology. Most notable contributions have been made by Beck (1992) on contemporary, uncertain and dynamic 'risk society', Beck, Giddens and Lash (1994) on reflexive modernisation and Fukyama (1995) on cross national assessment of the role of trust, cultural values and social capital upon economic performance. The risk society thesis has also emerged in property and housing studies (s.f. Allen, 1999; 6, 1998; Berry and Dalton, 2000; Guy and Harris, 1997 as elaborated in Chapter 3) concerning shifts in social vulnerability, policy decision-making and property investment.

Moving away from agent oriented explanations of causality, corporate and managerial theories stress the uneven power relations between housing agents involved in housing provision. In addition to capitalist interests, agents of the state such as local government officers, urban planners, tenant managers, and real estate agents and other housing professionals mediate the distribution of housing resources (information, access, privileges) making their mark upon the form and outcomes of the housing network (Saunders, 1983; Pahl, 1975; Simmie, 1981, Dunleavy, 1981).

Specific characteristics of housing have been elevated to causal significance. Housing tenure, perceived as the bundle of rights and responsibilities, is considered by some researchers to influence one's power resources and position within social and economic structures. The
resulting 'housing classes' debate, concerning the significance of tenure, remains unresolved in housing studies (Rex and Moore, 1967; Saunders 1983; Forrest, 1983; Winter, 1994; Barlow and Duncan, 1988; Marcuse, 1994).

Another unresolved theoretical debate concerns the role of the state and its relative autonomy from capitalist relations of housing production, exchange and allocation. In many policy related studies, there has been a tendency to perceive the state as an independent, benevolent and more recently, as meddling agent. Alternative explanations emphasize the embeddedness of the state within broader social and economic structures (Jessop, 1990; Marcuse, 1986; Kemeny, 1983; Lundqvist, 1990, Stillwell, 1986). The search for generalized, universal state roles is futile, given their inherently contingent bound definition.

A key difference between structural and actor centred explanations, is the claim by the former that objects and events are embedded in key social relations. Such theories focus upon the definition of specific social relations in housing provision and the role of the state. These include the relations of savings and investment, the exploitation of land, materials and labour relations in the formal work place and their (gendered) reproduction in the home, as well as circuits of capital accumulation throughout the production, consumption and exchange process. Nevertheless, agents produce and reproduce relations, and thus their behaviour remains integral to causal explanation.

'Relationists' argue that particular, context defined sets of social relations, cumulatively form different types of causal chains, which can explain divergence in forms of housing provision. These causal chains or mechanisms, in combination with contingent relations and other necessary relations, help to explain the nature and development of housing related events and experiences (Jessop, 1990, Sayer, 1984, 2000; Dickens et al 1985). According to Ball et al (1988):

> The determination of changes in housing provision is a complex historical process whose explanation can only be investigated through detailed empirical analysis (Ball, Harloe and Marteens, 1988:32).

Accordingly, there are no universal definitions of social relations. Thus, the theoretical challenge is to define the causal mechanisms generating difference through concrete case study research.

> Recognition that social forms (like housing provision) and their causes can only be understood in the particular does not mean that we should reject any identification of structural mechanisms. This would leave us in the fake world of volunteerism, where people do what ever they independently happen to think of next, as though no other people or society had ever existed... a world of myriad assorted and apparently random events (Dickens et al., 1985:2).

One of the few, published realist inspired explanations of variability and change in housing structures is provided by Dickens, Duncan, Goodwin and Gray (1985). The authors adopt an early-realist approach in their study of Sweden and Britain to emphasize the importance the key social relations of labour and property upon the role of the state in housing. They argue that differences between housing systems result from the effect of local contingencies upon these relations. Towards this goal they research two local case studies under one national housing system. These local contingencies, which surround and interact with forms of housing
provision in Britain and Sweden, include the tradition and role of organized labour and government, the level of class-consciousness and the regime of private capital. This strategic historical approach promotes consideration of contingent relations such as the financial markets, the building process, labour relations and the system of land ownership.

Moving on towards more structural approaches, concepts arising from political economy can assist the conceptualisation of causality in dynamic and divergent housing systems. Harvey, (1978 in Berry, 1983) considers the process of urban (and housing) development as being contradictory and conflict ridden. As no overarching strategy orchestrates competitive, monopolistic and uneven development, it is punctuated by crises in the process of capital accumulation (Berry, 1983). At the local level, different forms of capital accumulation falter in crises and, in the drive to accumulate, new structural solutions are found, mediated by broader forces and contingent conditions (Harvey, 1973, Wright, 1978, Berry, 1983).

According to regulation theory, which emerged from political economy, urban development should not be viewed in functional economic terms, but as an interaction between modes of *social regulation* and capital accumulation. The urban development process, which encompasses the provision of housing, is regarded as internally contradictory, lurching from periods of crises to structural coherence. The reasons for the sustained provision of housing existence lie in the interaction between modes of capital accumulation and the ‘regulation’ of society, generating spatial unevenness and change in forms of housing provision. Yet once again, any theory of explanation for specific forms of housing provision must be concretely derived via intensive geo-historical research (Chouinard, 1996; Painter and Goodwin, 1995; Goodwin, 2000; Florida and Feldman, 1988).

Developments in welfare theory force housing researchers to consider the wider social relations influencing forms of housing provision, and examine the different role housing plays in the reproduction of labour power. In recent years, various explanations for convergence, divergence and change in welfare states have been put forward (Esping-Andersen, 1996; Kemeny, 1992; Taylor-Gooby, 1991, 1991a). Kemeny (1992) has specifically argued for an extension of this theoretical work to the realm of housing and the integration of a more inclusive definition of ‘welfare’ (beyond income transfers) with the concept of ‘residence’.

A number of policy scientists, welfare economists and sociologists have examined the link between welfare and housing. A good example is the work of Castles (1997, 1997a) who considers the role Australian home ownership plays in providing horizontal, life cycle social security, and influencing national systems of welfare as well as the levels of expenditure on pensions. Retrenchment of the welfare state has been another focus for housing researchers, especially in Britain (Forrest and Murie, 1988, Taylor-Gooby et al, 1999) where the role of municipal housing and local government has been drastically curtailed. At a cross-national scale, Barlow and Duncan (1994) compare welfare regimes across Western Europe whilst Kleinman (1996) examines the relationships binding forms of housing provision to welfare and the state in Britain, Germany and France.

Closely related is the many-faceted cross-national debate concerning the *convergence of welfare systems*, including trajectories in systems of housing provision.\(^\text{15}\) Here it is contended that countries progress through similar phases of economic development and corresponding state roles, during which certain forms of housing policy temporarily dominate (Donnison, 1956 A useful review of the convergence debate can be found in Kemeny and Lowe, 1997; Kleinman, 1996; and Sommerville, 1994.

\[^{15}\] A useful review of the convergence debate can be found in Kemeny and Lowe, 1997; Kleinman, 1996; and Sommerville, 1994.

4.3.2 Summary of Alternatives for Perceiving Causality in Housing Provision

The following table (4.2) summarises the very different notions of causality, which have been applied to explain difference and change in forms of housing provision. It is by no means an exhaustive compilation, but demonstrates the range of agency and structurally orientated alternatives from which an explicit choice can be made.
<table>
<thead>
<tr>
<th><strong>'Roots' of causality</strong></th>
<th><strong>Causality in housing networks</strong></th>
<th><strong>Illustrative proponents</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Agency</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human agency, chaos</td>
<td>Chaos theory rejects linear,</td>
<td>Young, 1992; Briassoulis,</td>
</tr>
<tr>
<td>theory and random choice</td>
<td>structural and modernist thinking and emphasises human agency. It perceives structure as being neither loose or tight, but always dynamic. Random utility theory explain human agency as choices between alternatives made on the basis of observed and unobserved attributes of alternatives, differences in tastes between the decision makers, and uncertainty or lack of information.</td>
<td>2001.</td>
</tr>
<tr>
<td>Rational choice theory,</td>
<td>The actions of housing agents are guided by rational choice (Elster, 1989), towards the achievement of maximum personal utility. Thus individual consumers, producers, financiers of housing make choices that optimise their own outcomes.</td>
<td>Olsen, 1965; Elster, 1989; Sommerville, 1999; Dieleman, 1996.</td>
</tr>
<tr>
<td>personal utility and public choice models</td>
<td>Developments in housing policy are perceived in the context of a post-traditional 'risk society', of greater uncertainty, flexibility and change in social and economic relationships. In transaction theory (TT) agents minimize risks according to their own goals and power resources. Trust concerns the partners' ability to <strong>perform transactions as expected</strong>, reliably, without opportunistic deflection.</td>
<td>For a more sociological application, see: Beck, Giddens &amp; Lash, 1994; 6, 1998; Allen, 2000; Fukuyama, 1995; TT: Sargent, 1999, Nootboom. 1995.</td>
</tr>
<tr>
<td>Risk and trust in social transactions</td>
<td>Corporate and managerial theories acknowledge the uneven power relations between housing agents. In addition to capitalist interests, agents of the state such as local government officers, urban planners, tenant managers, real estate agents and other housing professions mediate the distribution of housing resources (information, access, privileges) and thus, the outcomes of the housing network.</td>
<td>Saunders, 1983; Pahl, 1975; Simmie, 1981; Dunleavy, 1981.</td>
</tr>
<tr>
<td>The influence of multiple agents upon housing provision</td>
<td>Housing is the mediated outcome of individual choice (agency) and of the rules and resources external to them (structure). Each defines the other, with neither structure nor agency having law like dominance.</td>
<td>Giddens, 1976,1982, 1984; Jyrkäma, 2000; Winter, 1994.</td>
</tr>
<tr>
<td>The relationship between structure and agency</td>
<td>These researchers have examined the importance of housing tenure, perceived as the bundle of rights and responsibilities, influencing one's power resources, social position and influence within social and economic structures.</td>
<td>Rex &amp; Moore, 1967; Saunders 1982; Forrest, 1983; Barlow &amp; Duncan, 1988; Marcuse, 1994; Murie, et al 1976</td>
</tr>
<tr>
<td>The influence of tenure, as a causal power, in social structures</td>
<td>The nature of work, its location, activity, income and security, influences the nature of housing services consumed. Housing consumption is influenced by the organization of paid work, access to credit and the separation of home from the workplace – often unequally affecting men and women.</td>
<td>Harvey, 1978; Ball, 1983, 1986; Barlow &amp; Duncan, 1994; Ball and Harloe, 1992; Harloe, 1987, 1995.</td>
</tr>
<tr>
<td>The mediated role of the state</td>
<td>Political economists focus upon the institutionalised circuits of savings and investment in the provision of housing, distribution of capital accumulation and exchange, and the exploitation of land rent and labour relations in geo-historically embedded systems of housing provision.</td>
<td>Hamnett &amp; Allen, 1991; Randolf, 1991; Hayden, 1981 Allport, 1983, Fincher &amp; Nieuwenhuysen, 1998</td>
</tr>
<tr>
<td>Labour and gender relations</td>
<td>The urban development process is regarded as internally contradictory, lurching from crises to structural coherence. Continued existence lies in the interaction between modes of capital accumulation and the 'regulation' of society, leading to spatial unevenness and change in forms of housing capital accumulation.</td>
<td></td>
</tr>
<tr>
<td>Generative mechanisms</td>
<td>Relates the institutional development of the welfare state to the form of housing provision. Debate surrounds the extent to which the logic of capitalism and industrialism influences welfare state development and as a consequence, forms of housing provision.</td>
<td>Domnison 1967, &amp; Ungerson, 1982; Harloe, 1985; Burns &amp; Grebler, 1977; Esping-Andersen, 1990; Barlow &amp; Duncan, 1994; Castles 1997.</td>
</tr>
</tbody>
</table>

**Table 4.2: The 'roots' of causality in divergent forms of housing provision**
4.3.3 A critical review of causal explanatory approaches

Having summarised various notions of causality implicit in explanations of housing systems, it is now time to critically evaluate these alternative positions from the preferred critical realist ontological perspective.

Causal explanation, rather than prediction, is the aim of realist research (Haralambos and Holborn, 1991:761). Experiences and patterns of events are considered to represent indirect traces of causal mechanisms (Bhaskar, 1975 in Blaikie, 1993:59). The aim is to reveal the causal mechanisms at work, which have influenced the formation of divergent networks of housing provision, and compare these mechanisms in order to differences in provision.

From this perspective a number of notions of causality can be rejected: chaos theory, random choice, rational choice theory, personal utility and public choice models – which place little or no emphasis upon the material or socially constructed context of ‘choice’ making, or the interaction of structure with agency.

In the previous section, we selected a specific number of ontological ‘devices’ to perceive forms of housing provision. These concepts are coherent with realist ontology as they permit recognition of interacting dimensions of reality: experience, events and social relations, thereby acknowledging the complexity and openness of housing provision.

There are a number of theories that focus on particular sets social relations, for example: tenure, labour, or state-capital. Whilst these theories acknowledge the generative influence of important social relations in housing provision, they tend to provide only partial explanations for change, narrowed to the selection of ‘isolated’ relations. Nor do they provide a theory of why particular relations should be isolated for analysis. Further, there are overly structural accounts of change in housing provision, which leave little or no room for agency, conflict, crises or contingency. Change is regarded as an inevitable outcome of shifting modes of capital accumulation. These overly functionalist accounts neglect the mediating role of agents and institutions, bounded rationality, institutional fixity and path dependent behaviour.

Naturally, any preferred notion of causality builds must upon the selection of ontological concepts made in section 4.1:

- weak social constructionism recognizing the influence (but not determinism) of meaning and dominant ideologies that influence the perception of different housing actors in their material and socially constructed contexts.

- the uneven position of different actors in housing provision and their coalitions that may form to promote more commodified or de commodified forms of provision.

- the different and related elements of housing provision, each subject to its own institutional network, competing ideologies, economic relations and power coalitions.

- The importance of revealing key generative social relations of housing provision such as property, finance and labour as they emerge over time and space.
Adopting a particular notion causality underlying housing change extends these ontological assumptions. Drawing upon the discussion in section 4.2, it is considered that within the realm of experience, housing agents are influenced by their uneven, filtered and bounded perception of risk and trust in complex housing interactions, in their material and socially constructed contexts. Depending on the power resources and contingent conditions influencing the actions of individual and collective agents, cumulative housing transactions evolve to influence the norms, processes and institutions of housing provision. Repeated, path dependent interactions may form an institutional architecture, of laws, administrative processes, and bureaucracies, which may evolve to consolidate a particular form of provision.

Yet this is not a one-way process or agent ‘determinism’. This institutional hierarchy tends to be stable when it is coherent with the package of underlying or generative social relations, which are essential to the housing provision process. However, due to the open, crises prone nature of capitalist housing relations, stability and coherence are temporary conditions. Indeed, even though they are more durable, key relations are also subject to exogenous or contingent relations.

It will be argued in Chapter 5 that the architecture of housing provision is particularly vulnerable to shifts in the foundation stones: the property relations, the circuit of investment and savings and labour and welfare relations. Crises of provision may occur when one or more of these essential relations changes too quickly for agents and institutions to adapt. This crisis of provision is only overcome when adaptive processes are established and a new phase of provision in the trajectory of a housing solution evolves.

In the following Chapter, this complex, multidimensional notion of ontology and causality is further elaborated via text and diagrams to cover the key components of a postulate of provision and change in housing networks:

1. necessary relations of property, savings and investment, welfare and labour; and their emergent properties;
2. contingency in housing provision;
3. agency and the concept of risk;
4. trust and embeddedness;
5. structural coherence, path dependency and institutional ‘fix’; and finally,
6. crises and adaptation.