

Characterizing East Asian Home Ownership: Examining the Significance of Diversity in Housing Systems

By Richard Ronald Ph.D., Japan Society for the Promotion of Science
Research Fellow in the Faculty of Human Development, Kobe University

Introduction

The notions of 'homeowner society' and 'property owning democracy' emerged in the post-war context of the more economically liberal advanced industrial societies, where household property ownership in the form of owner-occupation was considered a basis for better citizenship, a motivator for economic productivity and consumption, and a bulwark against bolshevism (see Saunders, 1990; Forrest et al 1990). While there has been considerable cynicism, among left wing commentators, regarding the divisive nature of state promoted privatistic home ownership, during recent decades it has become embedded and normalized within many advanced Western societies as a 'natural' and 'ideal' tenure, and has been argued to have underpinned the legitimation of state withdrawal from welfare provision (see Kemeny, 1981, 1992; Doling and Horsewood, 2002). The English speaking or Anglo-Saxon societies of North America, the British Isles and Australasia, (where owner occupation rates range between 64% and 72%), have been particularly associated with a cultural preference towards, and state commitment to, mass home ownership. The socio-political and economic practices of these societies can also be tied together in terms of their housing practices and systems. However, the group of industrialized East Asian societies, or Tiger economies, including Japan (the big Tiger), South Korea, Taiwan,

Hong Kong and Singapore, have also demonstrated similar preferences toward owner-occupation, and governments in these societies have actively pursued the expansion of this sector.

Whether or not these two groups of Eastern and Western societies constitute two housing system models, or are variations of a liberal approach to housing market policies, is largely challenged by the level of variation within and between the groups. Nevertheless, there has been some consensus that home ownership policies and practices in the group of Anglo-Saxon societies conform at the level of housing consumption and marketisation policies (Winter, 1994, Ronald, 2005). On the other hand, the East Asian group has radically different approaches to housing policy, finance and provision within it, with each society having strongly differentiated paths towards the realization of home ownership as the majority tenure. While the influence of globalization, especially in terms of the growing integration of finance and markets, has been long debated, the influence of localized factors has substantially mediated uneven patterns of development and diversification in the development of socio-economic processes. Housing has been argued to be a significant factor in this process (Doling and Ford, 2003).

This paper will examine the characteristics of East Asian housing systems in terms of policy regimes in order to assert the extent to which they conform to a characteristic

model. There are key points of divergence with Western home ownership systems which have had a normalizing influence in the consideration of housing practices and system processes. A Confucian welfare model, a productivist model, and different types of East Asian welfare model have been developed in order to explain East Asian exceptionalist forms of welfare and state control unfamiliar in Western societies (Jones, 1993; Holliday, 2000; Goodman and Peng, 1996). The reasons for divergence with western models of development have normally been conceived in terms of either culture or the role of the state. While cultural explanations are difficult to support (Esping-Andersen, 1997), the role of the state has been a particular feature of development as East Asian social policy has been primarily driven by the requirements and outcomes of economic development policy (Deyo 1992).

While we consider policy, economic and system based elements, our approach emphasizes a broader relationship between housing, economic growth and state power. We argue that housing has been central in mediating social and economic policy and thus constitutes a central means of understanding patterns of convergence and divergence in this region. Essentially, we are evaluating a model of East Asian home ownership distinguishable from an Anglo-Saxon one, where connections between neo-liberalism and home ownership are realigned with critical outcomes in relations between households, the market and the state.

Figure 1. Characteristics of Anglo-Saxon and East Asian Housing Systems

	Character in Anglo-Saxon Societies	Character in East Asian Societies
Welfare System	Comparatively high spending on social welfare (welfare states), but increasing re-commodification of public services. Characterised as 'liberal' welfare capitalist regimes (Esping-Andersen, 1990).	Low spending on social welfare with provision often focused on economically productive social groups. Emphasis on public goods which enhance private consumption. Characterised as 'productivist' welfare capitalist regimes (Holliday, 2000).
Housing Policy System	Home ownership driven, residualised public rental sectors via 'right to buy' etc (especially UK). Focus on the market and private sector.	Home ownership driven with underdeveloped public rental sectors (except Hong Kong), and subsidies for homeowners. Focus on 'state provision' in Hong Kong and Singapore, and 'selective intervention' in Japan, Korea and Taiwan (Doling, 2002). Top down approach co-ordinated by public corps.
Mortgage Finance	Developed and increasingly competitive private sector loan system with broad class access. Increasing transfer of risks from lenders to borrowers.	Normally a state mediated housing loan system supplemented by family loans and developing private loan sectors. Predominantly upper and middle class access.
Housing Market and Stock	Integrated property market dominated by speculative developers as well as second hand stock	Market strongly driven by rapid development and supply of new build units. Dominated by new apartments and 'scrap and build' units in Japan, and new apartment developments elsewhere.
Land Supply, Construction and Consumption Chain	Land supply and construction dominated by private landowners and developers. Consumption based on market principles and ability to pay. 'Liberal type' (Doling, 1999) unfettered by the state.	State asserts itself at development stage (via 5 year plans) and often controls land supply (directly or via land adjustment) along with speed, location and nature of development. Construction done by private companies and housing sold as market good based on ability to pay. 'Tiger type' (Doling, 1999).
Government Power and Legitimation	Ideologically based, balanced between main competing parties. Property ownership considered a conservative social force that enhances individualism and self-reliance.	Consensus based, dominated by single conservative/soft authoritarian party. Housing sector considered primarily in economic terms, with economic growth forming the basis of state legitimacy.
Social System	Stratified social class system with increasingly fragmented divisions and affiliations. Active civil society and, decreasingly, trade unions.	Symbolically homogenised societies but hierarchically structured and increasingly dominated by urban middle class formation. Often weak or undeveloped social rights, civil society and union power.
Form of Capitalism	Market rational and neo-liberal, based on entrepreneurial elites.	'Plan rational', 'Developmental', based on bureaucratic elite and corporate relations.
Economic & Urban Development	More prolonged process of industrialisation and urbanisation. Sustained pressure on governments to improve housing and social conditions for workers.	Intensive, high speed economic growth, industrialisation and urbanisation, putting substantial pressure on resources and urban space. Governments necessarily focus on economic growth rather than social provision.
Family and Socio-cultural Tradition	Predominantly nucleated families becoming increasingly fragmented. Housing privatism based on principles of individualism and autonomy. Conservative Anglo-Saxon cultural tradition.	Mostly vertically extended families becoming increasingly nucleated and fragmented. Collectivistic social ethos with housing privatism based on family interdependence and self-reliance. Authoritarian Confucian cultural tradition.

Characterizing Home ownership Systems

Following Esping-Andersen's (1990) treatment of welfare regimes, increasing attention has been paid to patterns of owner-occupation in relation to welfare systems and inter-class alliances as the global restructuring of production, employment and flows of finance and power are increasingly felt. This has been linked to home ownership and the undermining of class solidarities in Western neo-liberal societies (Kemeny 2001), where home ownership has been argued to extend the logic of markets to the household level where individuals become bound up with capital relations as property owners and dependence on state provision of public goods is eroded. While there are a number of groups of industrialized societies which demonstrate high levels of home ownership (Southern European countries, including Portugal, Spain, Italy and Greece, demonstrate levels of home ownership at 67% to 80%, and East European societies, including Hungary, Slovenia, Croatia, Bulgaria and Romania, have owner-occupation rates between 84% and 90%), it is the Anglo-Saxon group identified earlier, which fits Esping-Andersen's typology of liberal welfare capitalism regime, that have essentially established an economic-ideological model for the development of private home ownership, housing markets and mortgage financing.

Critically, in terms of housing finance mechanisms the Anglo-Saxon societies have in recent years developed similarly in response to economic forces, and a number of factors have led to a high level of sophistication in housing financing. Expansion of this sector was also in part due to increasing sector competitiveness as well as the redistribution of risks from intermediaries to borrowers and third parties. Access and flexibility in the market has also been enhanced by; growing numbers of loan insurance mechanisms; valuation systems which are normally based on current market value of the property; high loan to value ratios and long duration loans, and foreclosure laws which allow relatively quick repossession (Stevens,

2003:1014). Housing markets in the Anglo-Saxon group have thus become more dynamic and volatile following mortgage market liberalization and deregulation, and are characterized by speculative booms and busts with homeowners increasingly carrying more risks.

Despite growing global mobility in finance, however, local credit and mortgage systems have maintained their distinctiveness (Lea et al 1997, Stevens 2003) especially in terms of intermediary systems. What is more significant as a unifying element is that growing demand, financial deregulation and policy commitment to home ownership in Western industrialized societies, led by Anglo-Saxon housing markets and policy regimes, reflect the growing influence of neo-liberal regimes and ideologies in the actions and rationalizations of states who argue for the necessity of greater market freedom and flexibility in the global economic milieu (Doling and Horsewood, 2003).

While the East Asian Tiger economies have embraced home ownership policies, practices of housing finance, provision and consumption operate very differently in each society as housing policy systems have been tightly controlled and structured by the state. The central principle behind housing and social policy has been the goal of stimulating broader economic growth, and enhancing family self-reliance in housing and welfare practices. Another feature of these societies is the undemocratic trend toward soft authoritarian governance as well as the role of bureaucratic elites working closely together with the corporate sector. Essentially, housing and home ownership in these societies has been historically characterized by strong state intervention rather than deregulation and freedom of the market. At the same time, household asset accumulation facilitated by house price augmentation achieved within a market is also prioritized.

(a) Japan

Indeed, there is a striking range of housing policy approaches and pathways between countries, which it is useful to briefly summarize. In Japan the post-war housing

system was based on three institutional pillars of the Government Housing Loan Corporation (since 1950), The Urban Development Corporation (initially the Housing Corporation from 1955) and the Public Housing Act (1951). The main focus of policy was to stimulate housing construction and provide access to housing finance for the middle mass of salaried workers. Urban home ownership rates leaped from around 30% before the war to more than 60% by the end of the 1950s. Land and property values spiraled during periods of rapid economic expansion and contributed to the rise of the bubble economy in the 1980s. The public-rental housing sector, along with company housing, was increasingly residualised while subsidy for home ownership expanded (see Hirayama, 2003). Since the early 1990s house prices have been in decline. Only key types of properties in central urban areas show any signs of market vitality. In the 21st century the government's approach has been to extend deregulation and marketisation of housing, which it has sought to achieve by largely abandoning the construction of public housing and withdrawing from the housing loan sector.

(b) Hong Kong

In Hong Kong, alternatively, a substantial public-rental sector was established in the 1950s and 1960s. The expansion of home ownership became a policy target in the 1980s, which was supported by government subsidies and the selling off, to tenants, of public-rental housing units (supported by programmes such as the Home Purchase Loan Scheme and the Sandwich-Class Housing Scheme). While construction of public rental flats has continued (increasing 36% between 1983 and 1999) the growth of home ownership has been more impressive, escalating from 28% of housing in 1981 to 55% by 2001. Private property developers became a significant force in driving the housing system, but were undermined by economic crises in the 1990s. Housing values fell harshly in the late 1990s which particularly destabilized the property assets of households who had bought at the height of the boom (Forrest and Lee, 2003). The housing landscape today appears a collage

resulting from economic and policy shifts. Although the housing market has seen revival in recent years, 30% of the population still lives in public-rental housing. The government has now retreated from its owner-occupation targets and pulled away from home ownership subsidy programmes leaving the housing sector more open to the impact of market forces.

(c) Singapore

Singapore arguably represents one of the most state controlled housing systems within the Tiger group. Five year house building programmes begun in the 1950s and 1960s, focused on the mass construction of public housing in order to achieve economic restructuring and growth, along with the improvement of housing conditions. Through the amended Land Acquisition Act (1959, 1966) the state has been able to acquire any land it deems necessary in the interests of national development, including acquisition on the behalf of private developers (Chua, 1997). A critical aspect of housing in Singapore then, has been the activities of the state in controlling the supply of land and housing, and the provision of public housing as owner-occupied property (on 99 year leasehold (since 1964)) in a monopolized market system. Access to new housing and loan finance is strictly controlled by government specified criteria but has been consistently loosened in order to sustain growth of the sector, which maintains demand, and inflation in market values. The Central Provident Fund (CPF), a forced savings system based on joint contributions of employers and employees, has been a central mechanism in funding the public housing sector, and can be drawn on, based on the level of contributions made, by households to finance both down payments and loan repayments. Critically, while Singapore is dominated by a public housing system and the state mediates supply and finance, as many as 90% of households are owner-occupiers and buy and sell their homes within a market.

(d) South Korea

Again, in South Korea, the government has been a central agent in the housing system. In the 1960s and 1970s housing and social

welfare was a minimal concern to the state which directed national resources primarily towards export driven economic growth (Lee, 1990). In the 1980s the number of public built dwellings expanded and by the 1990s just under half of dwellings constructed were provided by the state. Land supply is dominated by the Korean Land Development Corporation (since 1979) which actively acquires and expropriates land for development. Construction is based on a corporatist arrangement with private developers. 5 year construction plans have been based around the principle that each income group requires housing of different size and tenure, resulting in the construction of small rental units for poorer households, and middle income groups having access to larger rental units and owner-occupied housing, normally financed through the National Housing Fund (since 1981). Since the 1990s most public rental housing has been built on the basis that ownership will be transferred within 5 years. Sitting tenants are given the opportunity to buy below market price. Those in upper-middle and higher income brackets are encouraged to purchase homes financed through the private mortgage market and the Korean Housing Bank (since 1967).

In 1995 owner-occupation accounted for around 53% of total households. The home ownership rate is somewhat misleading due to the complexity of the housing system in Korea as *Jonsei* housing, which accounts for around 30% of housing (1995), resembles a halfway-house tenure between owning and renting (Lee, Forrest and Tam, 2003). Essentially, *Jonsei* 'renter' households pay a substantial lump deposit (between 30% and 70% of the purchase price of the property) to their landlords in lieu of rent, with the entire sum being returned on vacating. The popularity of this system has largely been supported by the lack of a developed housing mortgage system, but has functioned to facilitate the accumulation of capital for outright purchase for tenants, and provided landlords capital for further investment.

Since the 1990s subsidized home ownership for middle income families has become the main target of government

policies over rental housing for those on lower incomes (La Grange and Jung, 2004). However, land and price control regulations in the 1990s were strong and failed to facilitate the provision of an adequate number of affordable homes (Kim and Kim, 2000). Since the financial crisis in the late 1990s the state has relaxed further housing finance and taxation to stimulate housing consumption, perceiving revival in the housing market as way to stimulate economic recovery, although concern over the formation of a property bubble has now arisen.

(e) Taiwan

Taiwan has primarily focused on the policy support of owner-occupation. Before the 1980s there was little concern with social welfare and housing due to economic priorities. Only a few uneven programmes of housing and welfare provision were initiated, targeted at those in government occupations seen as important to national stability. Since the mid 1980s policy has sought to encourage private sector development and provide greater access to housing loans. Government funds have been increasingly used to buy land and facilitate construction as well as provide loans to individual households. Provincial and city governments play a particularly important role in promoting housing development and providing individual housing finance (Chang, 1991). Many of the publicly constructed housing units are built for sale, with buyers also benefiting from loan interest and property tax subsidy. Around 85% of housing is owner-occupied, and housing measures have arguably solved quantitative aspects of housing problems, although middle and upper income groups have been the main beneficiaries and poorer households often face problems of relatively high housing costs (Chen, 1994). A central feature of Taiwan's housing system is the dominance of pre-sale housing, where houses are generally sold in the early phases of planning and construction which reduces purchase costs. The state has extended its subsidization of the owner-occupied housing market in recent years, perceiving it as a means to stabilize and expand the economy after the Asian economic crisis.

Convergence and Divergence in East Asian Housing Systems and Social Regimes

Housing systems in these East Asian societies have become embedded in broader patterns of economic growth and decline, but are strongly differentiated in terms of the role of the state and market. Home ownership is central to each system, but is structured in radically different ways. A critical difference to the Anglo-Saxon model that they all share is their overall approach to the market in terms of housing, as while they ensure that policy prioritizes consumption in the market, either housing supply or finance, or both, is tightly controlled or mediated by government. It is thus the state-market dimension of these home ownership policy systems which diverges most from Western norms. The following analysis of East Asian socio-political regimes sets out the dynamics of housing systems in terms of a convergent East Asian approach to economic growth and social policy. Over the last decades a debate has emerged concerning whether or not a substantive East Asian policy regime exists. Our analysis of home ownership illustrates how the consideration of housing enhances understanding of policy regimes and identifies common functions home ownership realizes despite apparent diversity in system structure.

Any understanding that successful development in East Asian societies has been based on minimalist government in both economic and social spheres is arguably erroneous because all have experienced deep government interventions. For Wade these societies have been economically successful because of the 'government market' in which the state takes a major role in ensuring specific industrial sectors have developed in ways consistent to perceptions of national interests (Wade 1990).

Japan has been a model for this, where principles of government-business cooperation, developed before 1945, underpinned rapid post-war economic development (Morishima 1982). Johnson

(1982) refers to this kind of approach as the 'developmental state'. Schaede and Grimes (2003) refer to 'economic nationalism' in describing the mutual co-ordination of policy and markets between government ministries and industrial sectors. In the developmental state, bureaucrats and political leaders are compelled to get on and organize growth using whatever methods are to hand. Henderson and Appelbaum (1992) therefore propose a fourfold classification of industrial societies. Firstly, market ideological countries (for example, the UK and the USA in terms of prioritisation of the free market), secondly, market rational countries (for example, the Netherlands where the market is encouraged but structured by the state to meet social goals), thirdly, plan ideological countries (for example, Eastern Europe, where markets were eroded by state ownership), and fourthly, plan rational countries (like Japan and East Asia, where the state sets national goals and intervenes in order to direct the economy as a whole). Doling proposes a further distinction as both market rational and plan rational societies are characterised by forms of corporatism, but in each the form is different.

Holliday's model of a 'productivist world of welfare capitalism' (2000) attempts to situate the East Asian group of Tigers as a recognizable and independent category within Esping-Andersen's conceptualization (1990), where social policy is strictly subordinate to the overriding policy objective of economic growth. Everything else flows from this: minimal social rights with extensions linked to productive activity, reinforcement of the position of the productive elements in society, and state-market-family relationships directed towards growth (2000:708). While Holliday considers housing systems in these societies as a feature of social policy, he does not consider it a unifying element and indeed identifies it as a critical divergent feature from which he differentiates sub-categories within the regime.

The principle of Confucian or East Asian policy regime works as a unifying concept to the extent that these societies

demonstrate a shared state paternalism and a top down processes of economic prioritisation with the government taking a considered and active role in guiding markets. There is considerable variety in the state-market mix and the point at which the state intervenes. At one level a division can be made between one group of societies, including Japan, South Korea and Taiwan, characterized by low social welfare spending (in relation to GDP), and a second, including Singapore and Hong Kong, with a substantially higher degree of spending and state involvement. Deyo (1992) attributes this to degrees of urbanization and corresponding differences in the need for government provision of social services. This is evident particularly in the state involvement in the public housing sector in Hong Kong and Singapore.

Doling (1999), however, demonstrates the nature of this divergence between the two groups is related to the development of housing systems. Singapore and Hong Kong have experienced strong state control over land and high levels of state provision. Public housing has come to dominate both systems although in Singapore public provision has consistently focused on family home ownership through the public leasehold of owner occupied housing units, and Hong Kong has shifted from large scale public renting to owner-occupation through the subsidization of home ownership and public housing sell-offs. Japan, Taiwan and Korea, alternatively, have weaker controls and more selective state intervention with subsidy being used to ensure that the housing needs are met within a market framework. Key differences exist in the dimensions of state-market and private-collective in housing policy and provision. Doling develops a typology of systems within this region (2002). One category emphasizes 'State Provision', and includes Hong Kong and Singapore. Another category features 'Selective Intervention' and is followed by Japan, Korea and Taiwan.

Thus, we need to develop the concept of a distinctive regime that may facilitate the manifestation of a range of policy systems, as there is significant within group variation.

Doling asserts that the newly industrialized societies of East Asia constitute a different type of regime system which can be differentiated in terms of the housing system more generally (1999). The pattern of 'housing provision chains' is what unifies Tiger societies as an ideal type and differentiates them from North American and European types. The 'housing provision chain' approach considers the life cycle of housing from construction through to consumption in each society, where the construction and development of housing has substantial effects on the nature of what is available to consume. In each of the stages, development, construction, consumption, the relationship between state and market has discernable outcomes. Doling identifies three types of chain in industrialized societies. First is 'Liberal' in which markets rule at each stage largely unfettered by the state. Housing is seen as a private good and sold or leased on the ability to pay. Clearly this type reflects the qualities of the Anglo-Saxon-Model. Second is the 'Mainland European type', where the development stage is strongly determined by the state but construction carried out by the private sector. At the end, allocation and pricing are institutionally regulated by principles of need and fairness. Third is the 'Little Tiger type' which applies to the East Asian group, (with each society in the group demonstrating weaker or stronger versions) where the state asserts itself at the developmental stage with highly directive 5 year plans and state control over the economy affecting speed, location and nature of development. Construction is carried out by private companies and housing sold as a market good in terms of ability to pay.

The state's approach to the housing system within the East Asian model begins, therefore, with the consideration of housing as a foundation on which growth is built. Home ownership is considered beneficial in these societies for both economic and political reasons. Politically it generates social stability and legitimacy. Economically it is perceived as a source of national as well as individual growth (Lee and Yip 2001). In housing policy, the construction stage is the

preserve of private, profit maximizing companies (subject to economic directives asserted by the state), which thus accounts for the absence of considerations of equity or fairness in housing and rather the ability of individual households to pay in housing consumption (Doling 1999). While this has often been seen to mean that East Asian housing systems follow a market ethos, it is actually the result of the state's control of the market and its influence in the provision of public goods and services.

While East Asian owner-occupation policy appears market driven, it is in fact state guided, and thus interventionist rather than neo-liberal. Henderson (1993) sees the success of the Tigers as being achieved following a neo-liberal non-interventionist model, where the market has been given free reign. Others argue the exact opposite, that governments have been policy active and controlling (Choudhury and Islam, 1993; Morishima, 1982; Wade 1990, Johnson; 1982). Essentially, there is substantial evidence that plan rational regimes are strongly managed by the state who implement carefully laid down targets and resource allocations set out in 5 year plans based on pragmatic considerations rather than the ideology of markets and the minimal state. Schaeede and Grimes (2003) describe the predominant feature of Japanese capitalism, the developmental model among the East Asian group, where *guided markets* and *managed competition* proliferate, as non-liberal, or essentially 'illiberal'.

Within this framework welfare approaches are of a very different order to Western welfare states in terms of focus on the provision of public goods which enhance private consumption and economic expansion. By directly facilitating home ownership (which is achieved in a variety of ways in each society, but with the government inevitably directly mediating and subsidizing), but delivering it on market terms, the state is effectively exercising plan rationality. What East Asian societies are able to do therefore is provide services and goods (eg education and housing) that facilitate the effectiveness of family welfare (housing is the biggest family asset and

reserve of family wealth which may facilitate other consumption practices, family welfare and retirement) that ameliorate the demand or necessity of social welfare or universal citizenship rights. Essentially, this constitutes home ownership without individualism, state provision without de-commodification, and the maintenance of state power without demands for welfare, rights and greater democratisation. While we agree with Holliday that an economic growth driven productivist regime featuring soft authoritarian and strongly interventionist states can be discerned, housing also forms a unifying element that links regime approaches to household welfare, market based provision and state legitimization.

In the sub-divisions Holliday devises, housing policy is one element that marks out a 'developmental-universalist' type of productivist society from a 'developmental-particularist' type with Japan and Singapore, respectively, more ideal types of each. In developmental-universalist societies some social rights are extended to productive elements of the population creating a kind of aristocracy of labour, whereas in a developmental-particularist society there are no social rights as such, and individual welfare provision is largely promoted among only productive elements of society. In both, social policy is significant alongside the market and families. The critical point of convergence, however, is how housing structures welfare for households, which is not as different as Holliday makes out. In Singapore, housing, in the form of public owner-occupied housing, which is financed through the Central Provident Fund, constitutes the basis of social welfare in terms of providing family assets by which family welfare can be supported. In Japan, although there is more universal social welfare cover, private home ownership provides the basis for the accumulation of family assets which function as the basis of family welfare. Both societies therefore structure a similar aristocracy of labour where those with greater income can generate greater housing assets and, consequently, access better welfare services.

Thus, while the appearance of a public housing system alongside very little other social welfare in Singapore appears very different to Japanese private housing, it functions in a very similar way and is integral to the family welfare system on which minimal state provision depends. The owner-occupied housing programmes in Japan and Singapore facilitate citizens' abilities to protect their accrued assets. Critically, the political morality implied by the system is based on privilege rather than entitlement. The government's role is to ensure an adequate housing system exists by which households can equitably be housed via home ownership. Housing development can largely be left to the private sector. While the state plays a far more prominent role in Singapore by being the main provider of land and housing, in Japan the Government Housing Loan system (which supports the majority of housing purchases) has functioned under similar principles. Despite direct involvement in each case, the government is not necessarily held responsible for household welfare, and thus responsibility for providing broader or more substantial welfare cover is diverted. Home ownership systems in other East Asian societies essentially function along similar principles.

Conclusions

It appears that East Asian societies, while having many diverse approaches and policy structures, demonstrate a shared rationale to housing as the basis to economic growth and the security and welfare of families. Home ownership underpins the overall approach to the 'minimal state' in terms of social policy, although in reality the state is strongly involved and regularly intervenes in order to maintain the integrity of owner-occupier housing markets. Governments have taken leading roles in facilitating the availability of houses to buy and stabilizing housing prices in a market based consumption environment.

The purpose of this paper has not been to identify causal factors or imply home ownership as a determining element in the social regimes of East Asian economies, but

to identify what Esping-Andersen refers to as 'salient interactional effects' (1990:29). We have identified the significance of housing provision chains and the role of the state in them, as well as convergent elements in the structuring of self-reliant welfare practices through housing consumption. These are key factors in understanding the role of owner-occupation in these societies and how home ownership differs from Western models and practices.

As in Western liberal economies, homeowners are strongly bound up with the market, leaving households vulnerable to house value fluctuations. This tendency is emphasized in the East Asian context where there is a lack of other social safety nets, and where housing finance and social welfare systems are still maturing. The ability of the state to support economic growth becomes more critical to individual wealth and security. State authority and legitimation thus becomes more grounded in the success of the market and economic expansion, while paternal authoritarianism, shoddy corporatism and the neglect of citizenship and welfare rights are tolerated.

One flaw in the model we have put forward is the over-assertion of a market ethos and economic liberalism in Western home ownership policy systems. Governments have strongly subsidized private housing purchase (via tax relief on mortgages etc) and intervened in the market to ensure the growth of the owner-occupied sector (Kemeny, 1981). The liberalism of liberal regimes in respect of housing is thus overemphasized. While Western states undermine the 'free' market through home ownership orientated policy and subsidy, they may also consider the substantial financial resources owner-occupying households build up and the growing tangibility of housing assets (via equity release, reverse mortgages etc) as a means to support the reduction of welfare services and erosion of state pension provision.

Compared to Western housing systems and social policy frameworks there is still substantial variation in the East Asian group. Essentially, East Asian housing markets are more embedded socially and in the broader

structure of economic development. The Asian financial crisis in the late 1990s destabilized housing markets and revealed how vulnerable Tiger economies were to global economic fluctuations, as well as how the openness of real estate sectors enhances susceptibility. The medium term impacts of the economic crisis were variable. Hong Kong appeared most vulnerable, which was enhanced by hot money moments into and out of its open real estate market, and experienced a 60% housing market value decline between 1998 and 2003. Across East Asian societies, housing prices have begun to increase rapidly again since 2003, although the shock of economic crises has made governments and policy makers think more about over-reliance on housing and housing markets as a basis for economic growth.

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