

Housing Policy and Outcomes in Southern and Southeastern Europe Bulgaria and Greece Compared

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Abstract

This PhD comparatively analyzes and explains the institutional structure, functioning and transformational dynamics of the Bulgarian and Greek housing systems, also considering the wider geopolitical context. Despite their historically differentiated backgrounds, the two countries are selected due to several structural similarities in their housing systems. Likewise, neither is easy to fit into the socialist and southern European groupings, and both are experiencing radical transformational pressures and severe systemic shocks as a result of socio-political and financial turbulences. Despite the academic interest, housing research in both countries has been relatively 'introverted', mainly confined to describing socio-political 'idiosyncrasies' and applying 'typologies'. An elaborate comparative study of the two countries is practically inexistent, while the increasing transformational dynamics in the Bulgarian and Greek housing systems remain insufficiently discussed. Thus, the available literature lacks outreaching comparative perspective and has trouble being incorporated in wider studies.

By employing an institutionally embedded mixed-methods approach the research assesses similarities whilst respecting differences, avoiding dogmatic adherence to typologies. Primary data was collected through qualitative in-depth interviews with housing experts and households in Bulgaria and Greece. The EU-SILC and national statistical agencies databases have been the main source of secondary quantitative data. Officially published reports and newspaper articles provided complementary secondary qualitative and quantitative data of relevance. The thesis shows that the Bulgarian and Greek housing systems are since circa the 1990s gradually moving away from de-commodified and towards pre-commodified forms. Established institutional interfaces are now being challenged, stressed under the weight of strong socio-financial restructuring forces and persisting societal housing precepts. Comparing the two countries with each other and with their wider groupings, allows for improved inclusion in southeastern European housing systems. Consequently, the latter can be better incorporated in broader comparative housing studies. This research overall contributes to the wider ongoing discussion about housing system transformation in southeastern European countries under transition.

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List of Abbreviations and Glossary

CEE	Central and Eastern Europe
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GFC	Global Financial Crisis
HSs	Housing Systems
IC	Institutional Complementarity
NGOs	Non-governmental Organizations
RQ _{Num}	Research Question
RO _{Num}	Research Objective
SE	Southern Europe
SEE	Southeastern Europe
VoRC	Varieties of Residential Capitalism
WRs	Welfare Regimes
Homeownership	Not limited to tenure status, it includes anything regarding policy, systemic function, and societal mentalities
Housing familialism	Strategies and methods utilized by the family in order to self-provide Housing Welfare to its members
Housing system	Anything regarding the ways people access housing - owned, rented or otherwise. It includes modes of financing and construction, state operation and contribution, homeownership vs. renting ratios etc.
Housing welfare	While not limited to it, mainly regards the level and coverage of financial or material means to ensure the minimum level of acceptable housing conditions
Legacy housing	Housing units, usually large blocks or estates, built during the Socialist regime era, having certain attributes like massive sizes and architectural uniformity
Social Contract	This term as used throughout this thesis mostly relates to the legitimacy of the state being affected by implicit or explicit promises on housing welfare and the ability to effectively deliver

Chapter 1 - Introduction

1.1 Research Background and Rationale

Housing has been recently and gradually re-placed on a more central position regarding socio-political and financial developments in various countries worldwide. On a European level interest in housing systems has not been developed and kept on an equal level. That being said, it is reasonable to expect variation in the focus on housing issues given the fact that systems differ from one country to another. Countries like the UK, France, Sweden and Germany have a longer, more persistent output in terms of research and eventual impact on housing policy. Such countries have strong housing policy legacies and social housing schemes, while their scientific output is widely promoted. Conversely, other countries remain relatively more or less underrepresented on an international level and often considered having a dimmer focus on housing. This is mostly related to a problematic link between housing research and policy-making, as well as low-outreaching academic output.

However, it would be unfair to assume underrepresented housing systems have no relevant research. In reality almost all countries in Europe have professionals and academics dedicated to the study of their national housing system. It is true that most of the research done never leaves or escapes the 'confines' of the national context. By doing so, such studies - however thorough and scientifically sound they may be - lack comparability and therefore significantly lose relevance. In turn, international interest in such national housing systems *per se* often remains 'anaemic', and are usually included in grouped comparative studies, where national idiosyncratic colouring is lost for the sake of seeking 'universally' applicable theories. Bulgaria and Greece are such cases. The former gaining some attention only the last ten years, and mostly as part of the former Eastern Bloc (Warsaw Pact). Despite being a satellite state of the Soviet Union, Bulgaria followed a tailor-cut Socialist path post-War and since 1990. However, this differentiation is often downplayed. This also expands to its housing system which is not very much alike the rest of the Eastern Bloc countries. Likewise, Greece has indisputably been discussed as a *de facto* part of the Southern European group along Italy, Spain and Portugal. This has been mostly based on geographical and political division often victim to some 'gratifying' simplicity. More often, as a means to claim multi-country applicability of theories and patterns. In housing

studies, many countries have been 'made' to fit such theories and patterns, nonetheless carried away by a procrustean *esprit du temps*.

The tendency to treat Southern European – and Post-Socialist for that matter – countries as uniform entities regarding to housing, is mainly linked to an urge to classify them and complete the 'solid' western European typologies. While common elements do exist, fixation on uniformity misses the true notion and value of comparative housing research. This also appears to be relevant with housing being more resistant to changes due the effect of international forces – compared to other policy sectors like pensions for example. This is the precise element that necessitates the focus on inter-country and intra-group very differences. However, not every study dogmatically seeks to create or improve some 'ideal-type'. The lack of sufficient and reliable data is in many cases to blame for generalizations made neglecting idiosyncratic systemic components.

Certainly not without obstacles, housing theory kept advancing through the years, while policy-making and implementation things are admittedly lagging behind. This is partially understandable as research is usually preceding any practical application, but in housing research this is especially valid and amplified. One of the main reasons is the inherent inflexibility of housing policy pathways due to path-dependency and complex – often unclear or hard to analyze – interconnections with a multitude of relevant or others, seemingly irrelevant, policy fields (income protection, health care, pension schemes etc.). In many cases, housing is often conceived as belonging within the boundaries of urban planning, when it actually is a common place of many disciplines and departments of the state-market-family complex mechanism. In other cases, may be inexistent, blurred and lost within the state bureaucracy or even set *by default*.

In fact, the case with Southern Europe is not so much about the lack of studies, which without being extended or even sufficient, are somehow present. The issue here is this bi-dimensional approach on housing policies and outcomes within the state-market-family triangle. Those analyses having avoided the pitfall of trying to apply western welfare and housing system theories in Southern Europe and attempting to consider idiosyncratic elements and complications (*ind.* Allen *et al.* 2004; Allen, 2006; Arbaci, 2006) tend to neglect the dynamic *temporal* transformation parameter in such systems where institutional inertia is exceptionally strong due to the existence of the idiosyncratic elements

(familialism, political clientelism, shadow economy etc.) they nevertheless recognize. So, this leads to a kind of “era snapshot” of the examined housing system which is presented or implied as generally stable in time, setting a deterministic tone in the analysis and perhaps rendering any further study meaningless. Thus, if indeed people and systems are deemed unchanged, then housing outcomes can be precisely calculated and forecast. However, this is rarely the case and even the most elaborate analyses would risk if attempting to predict housing outcomes. Moreover, homogeneity cannot be easily presumed as the deeper one delves into housing systemic evolution and structure, the more differences they find.

The post-2008 era has been most interesting for housing studies, not least as a result of the global financial crisis which hit each country on various levels and in different ways. Neo-liberal forms have been exposed to their own weaknesses and the 'free' market - in most cases not free at all - has been questioned on its presumed capacity to self-regulate. Social security in all its forms - including housing - return at the forefront. After almost fifteen years of weakening around the globe, the welfare state became relevant again within an ongoing debate on the evolution of the welfare modernity. Given these circumstances of 'doubt', old approaches are more easily challenged. For example, it is now more acceptable to assess cases which may seem incomparable. This is for example the case of Brazil, Russia, India, China and South Africa (BRICS group) which are increasingly studied in a comparative context (Becker, 2013; RICS, 2014).

Within an increasing number of individual European countries housing has re-emerged as an issue. Affordability and increased housing costs, multi-generational cohabitation, overcrowding, vacant units, radical drop in housing construction are only some of the issues raising concern (Connolly, 2015). Consequent socio-spatial, financial and political impacts are becoming increasingly important. National policies may have to be adapted or even re-invented, while housing may start being discussed on a European supranational level. EU enlargements have somehow boosted the academic interest on eastern European countries' systems, but not specifically regarding housing.

These last points have been some of the main reasons supporting the rationale behind this PhD. Furthermore, this PhD Research can be justified based on a number of theoretical, statistical, and empirical observations. *Firstly*, Southeastern European housing systems have been mostly approached in a dominantly descriptive manner, instead of analyzing and

explaining systemic structures and idiosyncrasies. More than that, the temporal dimension of these systems' evolution has been significantly downplayed by housing researchers. *Secondly*, southeastern European housing systems still are underrepresented in housing studies. This is to a large extent due to a notable lack of updated and sufficient quantitative and qualitative data. Weak academic tradition and an 'abstract' policy, which could form the subject of rigid research, hindered the maturity of housing studies in the wider area. *Thirdly*, housing policies in the region have been mostly regarded as something distinct, rather than the intersection of numerous policy sectors and institutions. In many cases there is a claimed 'absence' of housing policy in 'traditional' terms. *Fourthly*, the selected countries (Bulgaria and Greece) present pronounced differences in their socio-political historical background, along with significant similarities like 'weak states', immature market institutions, and housing familism. *Fifthly*, post-2000 national political and financial contexts in the region have started affecting the respective housing systems to a very significant degree. Hence, their evolution cannot keep relying on *laissez-faire* mechanisms. *Moreover*, as shown later in the thesis, housing constitutes an integral and crucial part of the 'Social Contract'. Increased housing costs are seriously affecting the 'social' and 'welfare' colouring of homeownership in Bulgaria and Greece, and linked to socio-political instability. In the customized Bulgarian socialism, 'personal property' and homeownership became tools of early post-War mass proletarianization, and symbol of the Socialist housing policy (Ivanova, 2015). In Greece, the state chose to offer favourable financial and regulative framework for the family to self-provide housing through the close cooperation of the market, leading to the dominance of homeownership since early post-War. Homeownership soon became the common element of the whole nation and different social classes, being differentiated by the floor (Bulgaria) or the price and location of the house (Greece). Today, this 'Social Contract' is challenged as a result of international and national political and financial dynamics, like the tendency towards weaker welfare states and less decommodified housing.

1.2 Commonly discussed housing issues in Bulgaria and Greece

Focusing on the current standing of the Bulgarian and Greek housing systems cannot be more than just a snapshot, linking the past with the immediate future developments. Therefore, I have chosen to use internet based newspaper articles for this sub-section,

which can offer the reader some insight on the most pronounced issues of today. It is acknowledged that this may do less justice to underlying issues and mechanisms, which are however thoroughly examined throughout the thesis. Likewise, the effect of the financial crisis is more dominant when focusing on the present and this is especially true for Greece. Whatever the distortion this may bring, it remains a central factor with its own weighing.

Starting with Bulgaria, current issues regard mostly the physical condition of the housing units and the related financial problems (World Bank, 2017). The majority of the Legacy housing estates presents serious technical shortcomings and degradation, directly impacting housing costs and living conditions of the residents. Most owners are of low wages struggling to keep up with increasing maintenance costs draining financial resources and hindering the much necessary upgrade (Habitat for Humanity GB in 2017). Rising energy poverty is directly linked to housing conditions and resource drain, and related to the non-fully-liberalized and poorly regulated energy sector¹. Overall poor housing conditions are hindering the improvement and thriving of Bulgarian people's lives (Churalska, 2017).

In Greece, the radically increased property taxation has overburdened housing costs and household financial resources. Higher taxation has also led to radical increase in inheritance waiver rates (Vourgana, 2017), and consequent wealth loss and weakening of housing familialism. Furthermore, forthcoming readjustments of the legislative framework slowly but steadily remove strong-till-recently statutory protections against primary residence, mostly through expansion and modernization of auctioning mechanisms (Siamakis, 2013). As a result, housing prices are expected to drop further (Kanellis, 2017a), leading to further decrease in housing enclosed wealth (Souki, 2017). Through still incomparable to Bulgaria, energy poverty is radically rising as an issue (Vatavali & Chatzikonstantinou, 2016).

Currently, access to (better) housing is a common problem in both countries (World Bank, 2017). In Bulgaria the post-EU rise in housing prices has remained unpaired with a respective increase in income, therefore excluding households from the housing market (Habitat for Humanity GB in 2017). Homelessness, still far lower in comparison with many other countries, is slowly expanding with its consequences becoming more pronounced. In Bulgaria this mostly regards the Roma population, left without support or integration schemes post-1990 (Giannangeli, 2013). In Greece the phenomenon of housing precarity is

¹ <http://www.economist.com/blogs/easternapproaches/2013/02/bulgarias-electricity-prices> [Accessed 19 March 2017]

gradually expanding (Sotirchou, 2016). Overall, both countries are characterized by, higher than EU-average homeownership rates, marginalized rental sectors, weak to inexistent social housing sectors², and mistrust towards the public sector (Brunwasser, 2006; Popov, 2011). Despite significantly reduced due to GFC effects, capital enclosed in housing assets approximates 1.5 times the Bulgarian (Harizanova, 2014) and 3-to-4 times the Greek (Koukakis, 2016) GDP respectively.

1.3 Academic Contribution

In this thesis, there is a number of things done *differently*, contributing to housing studies literature. Perhaps the most important is the attempted balance between comparative and case study in-detail analysis, working on a macroscopic and microscopic level respectively. A large number of comparative housing studies focus on numerous countries which inevitably leads to partial loss of national characteristics in order to make such comparisons viable. This is also done for the sake of widely generalizable conclusions and results. While certainly welcome if achieved, general applicability of conclusions and results is not the priority in this thesis. More than that, differences are highlighted and respected for their value, allowing common elements and transcending patterns to be clearly shown. The selection and juxtaposition of countries with such different socio-political backgrounds is not to be taken lightly and therefore is often avoided. Bulgaria and Greece are *a priori* classified as belonging to distinct and clearly defined country groups and housing systems. The former is considered directly linked to its former Eastern Bloc membership and therefore identified with the Socialist past. The latter follows or is identified with the Southern European classification characteristics. As shown in this thesis, in fact both countries differ to a significant degree from their supposed respective cohorts. For this reason I do not discuss them as part of the eastern and Southern European groups, where unless absolutely necessary. Through such an approach this research offers an alternative reading and perspective. Overall, this thesis stays away from any kind of West vs. East or rather Capitalism vs. Socialism debate. On the contrary, many elements are shared and transcending ideological and geographical borders. These are of special interest and given the attention due.

² <http://www.housingeurope.eu/resource-94/social-housing-in-europe> [accessed 19 March 2017]

Likewise, this research adopts a mixed qualitative and quantitative approach, analyzed in detail in Chapter 4. Admittedly, there is a heavy focus on the former and for a good reason. Both countries have been lacking such an attempt to listen and record people's views on housing matters. Even though lack of literature is not the case for each country separately, no such qualitative comparative approach has been attempted. The two countries are usually included in their wider groups analyses and are often left under-explored, while the voices of the people is not considered, mostly due to practical research limitations. By adopting a combined multi-theory approach this research avoids being restricted to policy-inclined or outcome-inclined analyses, which is often the case. Unlike many studies, socioeconomic aspects are given proper weight and properly incorporated.

As DeWilde (2015a, p.5) noted, on an international scale housing research is often expended on describing and exploring systems and mechanisms, rather than analyzing and explain; therefore, lacking actual comparative value. With this in mind, at the core of this research is the scope of deconstructing and then explaining housing systemic mechanisms. For example, there is special focus on matters such as *policy path-dependency* and *institutional inertia*. There has been no attempt at reinventing the wheel when not necessary, but rather optimizing its practical applicability and usefulness. For example theories like welfare regimes are not to be extended or modified. Such an attempt escapes the scope of this research and may even be out of place in general. What is done is the refinement of its application in the examined housing systems of Bulgaria and Greece. The same applies to most milestone theories reviewed in the first literature review Chapters.

By no means is the goal about comparing the incomparable. In reality no housing system can be point-to-point be compared to another. Any attempt to do so will mostly bear no credible fruit. The reader will eventually see that specific points in the thesis could not be compared, juxtaposed, combined or in any other way put side-by-side, and thus have been left to offer their own colouring to the research. This is the pronounced case with the building stock physical attributes in terms e.g. of its architectural form. It would be naive to compare the Bulgarian with the Greek housing stock on such a basis. What has certainly been done is discussing and analyzing the ideological and policy background which led and still affects these forms, focusing on the composing elements within.

This research aims at a holistic *comparative* analysis of *Housing Policy, Systems and Outcomes*, focusing on the two selected countries. This aim is meaningful *per se*, offering the opportunity to expand on a rather limited, outdated and in many instances biased (overemphasizing some aspects while downplaying or ignoring others), body of literature. In addition to the aforementioned, the *relevance* of this research lies at the ability to highlight underlying housing system mechanics in these two countries experiencing tremendous systemic shocks and transformations during the last fifteen years at least. Unveiling such mechanisms and their operation can drive change towards a better path considering the housing system potential, societal aspirations and policy making and implementation complexities.

1.5 Thesis Structure

Chapter 2 is the first part of the general theory literature review drawing from a multitude of theories like Welfare Regimes, Corporatism, and Varieties of Capitalism

Chapter 3 goes in depth regarding Homeownership theories focusing on its pervasive role, various trade-offs, different meanings and dynamics

Chapters 4 focuses on the adopted Research Methodology in accordance to the set research Aim, Objectives, Questions and Hypotheses

Chapter 5 highlights the evolutionary path and socio-political background until the modern era. Theories visited in Chapters 2 and 3 are assess given the Bulgarian and Greek context

Chapter 6 is dedicated to the Qualitative and Quantitative presentation and analysis of the data gathered with a view to future and changing trends

Chapter 7 concludes the thesis, bringing all relevant elements together in a comprehensive and coherent manner

Chapter 2 - From Welfare Regimes to Housing Realities

2.1 Introduction: A Matter of approach?

When analyzing housing issues, one cannot escape the need to discuss welfare regimes theory. The reader will recognize I have avoided an exhaustive discussion on welfare regimes, which would inevitably stray far off the scope of this research. This classification can be now considered a bit outdated, limited in scope and out of context as it is tied to a past era characterized by different power structures and ideologies. However, it still provides a somehow clear starting point. Welfare regimes are gradually examined regarding their connection with housing systems and outcomes. Even though differences between various country systems render any effort to definitively clarify any linkage between housing systems and welfare regimes extremely precarious, the link is there. For example, according to Delfani *et al.* (2014) when considering welfare regimes as process through which state affects reallocation (redistribution) of life chances for individuals and social classes, housing policy is central to welfare provision. The exact type of link between housing regimes and welfare regimes still remains elusive, which seems related to the fact the former are hard to quantify (DeWilde, 2015a).

Inversely considered, housing is central to welfare structures, socio-political realities and financial realities (Stephens *et al.*, 2015b). At the same time housing systems are themselves influenced by a variety of factors, related or translated to different configurations within the state-market-household triangle. Despite being sure about the existence of links between welfare and housing their nature and intermediate joints with numerous aspects of the social, political and financial life, are hardly uncontested and indubitable. Recognizing the complexity of housing issues and the need to go beyond single-sided readings, a multi-approach has been adopted in this research. Recent trends in housing theory promote a holistic approach trying to avoid the pitfalls of exclusively focusing either on full theoretical or empirical data analysis. Starting from the - more than extensively - discussed welfare regimes theory, I gradually move towards housing systems theories. Next, after analyzing various theories on housing regimes and systems, I discuss the different approaches regarding the welfare and housing linkages. Kemeny dichotomous (rental) housing system typology - later expanded to wider 'housing regimes' - and the

‘trade-off’ thesis are in no way free of critique but semantic and analyzed in detail. Either as a ‘wobbly pillar’ or a ‘cornerstone’, housing seems to be a necessary element of the welfare state. Therefore, a distinct part is dedicated to housing’s unique characteristics and weird positioning with regard to the welfare state influence sphere. Housing policy trends close this sub-section before moving on to alternative perspective approaches.

Assessing housing from a market-oriented perspective, I critically assess the Varieties of Residential Capitalism, as an expansion of Varieties of Capitalism doctrine. Despite necessary refinements, this approach offers a much needed reading of the financial factors affecting housing systems formation. Embedded in Varieties of Capitalism theory, Institutional dynamics analysis helps shed a light on the underlying interactions within the state-market-family triangle. This does not only provide a better understanding on how housing systems are formed, but also the particularities of institutional and therefore systemic change of systems under transformation. Lastly, Corporatism doctrine is discussed on its application on housing highlighting the politics perspective, especially regarding market and state interaction. Housing corporatism explains actor-driven institutional change in housing systems and interaction between different kind of actors. The chapter then concludes with a discussion on the search for a rigid housing typology, and its implications.

2.2 Welfare Regimes, Systems and States

Welfare regimes regard power structures. Esping-Andersen’s classification was based on decommodification of labour, social stratification and state-market mix (Allen, 2006; O’Neill, 2008; Stephens *et al.* 2010). Different regimes are produced through a social and institutional process due to inter-class alliances and conflicts producing distinct and divergent configurations of intertwined state-economy, legal organization and institutional structures (Ronald, 2007; Lennartz, 2011). The linked institutional arrangements of the market-state-family triangle are key to welfare policies protecting individuals against market risks (Hulse, 2003; Draxler & Van Vliet, 2010). However, each country chooses from an array of market or decommodification tactics to cope with personal risks, or a combination of them (Draxler & Van Vliet, 2010). Decommodification allows individuals or families to retain an acceptable standard of living independently of market effects (*ibid.*). Arbaci (2008) refers to welfare regimes as arrangements targeting redistribution and

selected areas of decommodification leading to specific types of universal transfers or residual benefits allocated horizontally and vertically.

Allen (2006) argues that welfare regime typology seems more appropriate for large-scale comparative studies among countries. Welfare systems fit to smaller-scale analyses, entering and widening the scope and investigation of inter-dependent institutions and their complexes' structure which explains institutional forms, reforms and overall *modus operandi*. The original Esping-Andersen welfare regimes typology is not sufficient in catching the details and therefore not recommended for analyses between a small number of countries presenting similarities in their housing systems.

The three original Esping-Andersen ideal-types were later expanded by the inclusion of the Mediterranean and Post-socialist welfare regimes, while Kemeny (2001; 2006), limited it by considering Socialdemocratic Regime as variation of the Conservative-Corporatist one. Lennartz (2011) argued that ideal-types are more of a typology based on empirical study (also Hulse, 2003), omitting housing whatsoever. Consolidating relevant literature (Dewilde & De Keulenaer, 2003; Hoekstra, 2003/2005; Allen, 2006; Kemeny, 2006; Ronald, 2007; Arbaci, 2007/2008; Aidukaite, 2009; Ferreira, 2009; Stephens *et al.* 2010; Lennartz, 2011; Stephens & Van Steen, 2011; Petmesidou, 2013), gives a clear picture of this typology. In *Liberal-Residualist* welfare regime capital interests and markets prevail, in within a low state interference and deregulation and low state interventionism context. With privatized welfare services, state aid is reserved for the extremely poor (safety net, means-tested), while people in need are left outside the system. In such a commodified welfare environment exposure to market and employment risks is high. In a *Conservative-Corporatist* regime power and interest struggle between capital and labour forces is on more or less equal terms, reaching an equilibrium. State intervention is active providing segmented welfare services, but income redistribution is minimal as class hierarchy is preserved being the starting point of welfare policies. Family and non-profit institutions have an enhanced role, mainly as an welfare systemic shock impact absorbers like of unemployment. Decommodification is medium but relatively high and social rights follow class and status. Conservative forces are kept at bay or divided in the *Socialdemocratic-Universalistic* welfare regime, allowing working-class interests to prevail by allying with various interest groups. Welfare services are highly decommodified through strong state interventionism also ensuring a high level of quality and population coverage. Dependence

on family resources is unnecessary and therefore extremely low. Somehow mixing of the liberal and corporatist elements the *Mediterranean-Rudimentary* regime is notably different. State presence is limited and welfare services provision is of insufficient quality and coverage (underdeveloped and residual), with extreme prejudice towards safeguarding and enhancing pension schemes. Family is the dominant welfare provider leading to intergenerational dependence and prevalence of familialist mentality over statism and market trust. Extended informal employment sector is overly exposed while formal one is heavily regulated and protected. Income redistribution is highly selective passing through clientelistic-nepotistic channels and generally limited. Unstable employment impact is high while health care maintains a universalist character. Lastly, the *Post-Socialist* regime lies somewhere between the western corporatist and Mediterranean regimes. Dependence on family resources is significantly high, especially post-1990. Nevertheless, social policy is largely identified and linked to the Soviet past, with widespread low-level social security.

Arbaci (2007), tried to link welfare regimes to construction sectors' composition and production. In the Latin Rim there is a relatively small-scale production and construction firms are fragmented and stratified covering low, middle and high income families' housing demand, according to class-status differential preservation tactics. In Liberal Regime large constructors dominate a highly speculative development and investment market. In Social-democratic Regimes where land is publicly owned, big companies are supervised by non-profit developers (non-speculative) from which they are kept separated. In Corporatist Regimes a fragmented building industry has an output of middle-scale production and gains are more speculative than Social-democratic but less than in Liberal Regimes.

Regimes and Systems are often used interchangeably but are not one and the same. Regimes characterize specific socio-political and economic configurations leading to the development of respective Systems (Stephens, 2016). *Welfare Systems* regard tax system, social security and labour-to-market interactions which determines levels and distribution of incomes, with their functioning defining different welfare regimes (Stephens *et al.* 2010; Stephens & Van Steen, 2011). Their role is crucial regarding the regulation of income distribution and poverty. As welfare systems stem from welfare regimes, there is an assumption on having similar or reinforcing distributional effects (Ronald, 2007; Stephens & Van Steen, 2011). Lennartz (2011) refers to welfare systems as sets of individual welfare programs some of which should not be expected to fit the extended Esping-Andersen

typology. This differentiation does not signify another welfare regime but a *variation* to the existing ones. Allen (2006) refers to welfare systems as structures of wider social institutions responsible for providing welfare to households or individuals within the family-state-market triangle. Welfare systems refer to certain properties where welfare regimes are about power structures (Stephens & Van Steen, 2011). Kemeny (2011) discusses welfare regimes (independent variable) as constellations of power configurations creating different welfare systems (dependent variable) which are the outcomes one can describe. Newly analyzed welfare system types are not new welfare regimes unless new kinds of power relations are established. For Doling & Elsinga (2013) welfare systems rearrange payment of welfare services over the life course, smoothing the financial burden. Welfare systems are dependent on the welfare regime in force.

Forcing specific country systems to fit the Esping-Andersen ideal-typical welfare regimes, will inevitably disregard their unique characteristics (Allen, 2006). Reprocessing the Esping-Andersen typology by introducing two more levels of decommodification (very low and very high) offers a more appropriate classification of actually existing welfare states and systems. The majority of existing welfare states are positioned somewhere between the ideal-typical welfare regimes (*ibid*). Lennartz (2011) notes that in Esping-Andersen's work welfare state is defined through the decommodification-stratification-state/market/family mix trio and welfare state regimes are specific forms of welfare regimes. For Malpass (2004) welfare state is more of a policy stance rather than a set of public services.

Housing regimes have been defined as ideological power constellations which affect the interaction between state, market and family regarding housing provision, allocation and consumption (DeWilde, 2015a). Different housing regimes lead to respective housing policies and consequent housing outcomes. These housing outcomes can be used to evaluate housing regimes, Policies and ideological power constellations (*ibid.*). Stephens *et al.* (2015b), highlight that power structures affecting housing regimes may be in flux, contrasting Kemeny and Esping-Andersen relatively 'fixed' and resistant to external forces. For Hegedus & Szemzo (2015) housing regimes are defined according to combinations of taxation, housing subsidies and social housing schemes.

2.3 Housing Systems

Admittedly, the original welfare regimes thesis was not about housing (Stephens *et al.* 2010; Lennartz, 2011; Griggs & Kemp, 2012) and anything regarding this matter was unclear (Allen, 2006; Hoekstra, 2003). Despite the controversy, the Esping-Andersen typology offered a somehow clear – albeit ideal – picture of welfare regimes. It was this clarity that led many housing researchers to take it as a starting point. Efforts to fill the knowledge gap either tried to adapt the Esping-Andersen typology to housing or to create new one (Stephens *et al.* 2010). Starting from there, the most careful approaches take into consideration different housing systems' specificities without presupposing the welfare regime and housing system one-to-one link (Lennartz, 2011). It has been recognized for some time now that welfare regimes and housing systems are connected (*ibid.*) in a relationship that works both ways (Kemeny, 2005; Malpass, 2008; Stephens *et al.* 2010) but the type of this connection is still debatable. With the direct link of welfare regimes and housing systems not being as popular as an indirect one, the specificities and levels of the latter have lately become an issue *per se*, mainly regarding the quantity, quality and type of intermediary linkages. Housing systems can be understood as the combined effect of housing market operation and housing policy interventions (Stephens *et al.* 2010) producing distinct distributional patterns (Stephens & Van Steen, 2011).

During the years housing has been theoretically and empirically analyzed, there has been a significant attempt to establish some direct link between the Esping-Andersen classification and housing systems mostly trying to fit the latter in the original ideal-types. Based on Barlow & Duncan (cit. 1994) *Liberal* systems channel welfare provision mainly through homeownership while the social housing sector remains stigmatized. Inversely, in *Socialdemocratic* systems high quality social rental housing is dominant within a collectivist ideology. Housing policy has a troubleshooting function in *Conservative-Corporatist* systems with the private initiative heavily encouraged. Lastly, in *Rudimentary* systems an overly absent state welfare provision - including housing - forces the expansion of familialist self-provision of housing, often with speculative intentions (as discussed in Dewilde & De Keulenaer, 2003; Ronald, 2007)

Reserved to the Dutch system, Hoekstra's (2003) analysis moved to applying a modified welfare-state regime model to housing (Dewilde & De Keulenaer, 2003; Lennartz, 2011).

His qualitative analysis differentiates itself from the quantitative Esping-Andersen study but the focusing on processes and not outcomes underlines a knowledge gap (Stephens *et al.* 2010; Stephens, 2011). Hoekstra ‘translated’ Esping-Andersen’s indicators into housing terms. *Decommodification* was linked to price moderation and housing subsidies, *Stratification* to social housing allocation eligibility criteria, and *Provision mix* as regulator of the former two. Enhanced subsidization and strong regulation were tied to the *Socialdemocratic* welfare regime and inversely for the *Liberal* one. Social housing allocation would be needs-based in the former, while market should be the main provider in parallel to a residual social rented sector reserved for the deeply poor in the latter. Hoekstra analysis presumed simple links like e.g. between subsidized or limited profit housing and labour decommodification. However, reality is more complex, affected by numerous factors, leading to a variety of outcomes. For example, lower housing costs may offer employers an alibi to drop wages and the state a tool to ensure social peace (Allen, 2006).

Kemeny’s (2001, 2006) Unitary/Dualist rental market systems constitutes the most significant attempt to create a housing systems’ typology (Stephens *et al.* 2010). In *Dualist/Individualist* systems (non-corporatist structures) homeownership is the dominant tenure, being directly and indirectly institutionally promoted. The private rental sector remains unregulated but clearly protected from the social rented one which is kept small and reserved for disadvantaged people. In *Unitary/Collectivist* systems (corporatist structures) state intervenes and supports all tenure types on equal terms. The private rental sector is regulated and competing with an extended, developed and widely accessible social rented one in the open market. Also, Homeownership rates are comparatively lower (also discussed in Arbaci, 2007; Ronald, 2007; Lennartz, 2011; Norris & Stephens, 2014). The approach is still dominant in housing analyses despite controversy regarding the interpretation of the evidence and its casual application. Hoekstra (2009 cf.) tried to test the Kemeny typology through certain criteria like percentage of owner-occupation and its quality comparing to the social sector. Kemeny thesis has been verified but with a strong reservation on the reliability of data used (Stephens *et al.* 2010).

Focusing on outcomes, Stephens (2008) presented a categorization of social housing systems according to function. As an ‘*Ambulance Service*’ social housing sector is small in relation to elevated levels of poverty and income inequality, weak social security and tight means-tested allocation for the extremely disadvantaged. Eligibility is valid as long as the

problem remains and rise on income may throw people outside the protection system. As a ‘*Safety Net*’ housing and relevant benefits ensure that the remaining income excluding housing expenses does not fall below a set level, allocation is prioritized based on needs targeting high poverty. In the ‘*Wider Affordability Function*’ large social housing sectors synergize with in-work benefits, and allocation is based on broad eligibility criteria, contributing to reduced income inequality. Stephens *et al.* (2015b) note that housing regimes require stable power structures in order to be formed, although housing welfare regimes will be formed *by default* like in the post-socialist countries case.

Stephens *et al.* (2010) argued on the combined effect of welfare regimes and housing policy in housing outcomes (quality) and affordability levels (cost). Housing systems and policies function within a framework the parameters of which are set by the welfare regime. Housing systems is not possible to be developed outside or independent of the respective welfare regimes but this does not mean that countries belonging to the same Regime will deterministically develop exactly the same housing systems and policy. USA and UK belonging to the liberal welfare regime are characterized by high income poverty but the housing policy in the former offers ‘ambulance service’ where in the latter a ‘safety net’. Nevertheless, it would be extremely difficult for the social rented sector to function in a ‘broader affordability’ fashion and drift to the almost opposite direction of the welfare regime. The link between welfare regimes and housing systems is probable but in no case certain. Where housing systems influence welfare outcomes - to some extent - independently, they have a balancing role and effect as a – partial – countermeasure (*ibid*; Stephens & Van Steen, 2011). In other cases the housing system is copying the welfare system and reproducing relevant patterns (*ibid.*). This is the case with Southern European countries. Such a relationship is not so predetermined in all groups. In the Central and Eastern Europe some countries followed the western Corporatist pattern of rent-controlled sectors, while others made homeownership the dominant tenure like Romania and Bulgaria (Stephens *et al.* 2010 on Allen, 2006).

Stephens & Fitzpatrick (2007) note that housing systems are often expected to replicate welfare regime patterns but the relationship is far more complex. Housing systems may reinforce welfare regime outcomes but they can also counter them. For Stephens *et al.* (2015b) tenure and housing finance reflect the role of the state and market as sources of housing welfare. Stephens (2016) concludes that even though housing systems may or may

not so much reflect their respective welfare systems. Therefore starting from Esping-Andersen's analysis to diagnose housing systems may prove insufficient or even misleading. That said, Esping-Andersen used the state-family-market triangle allowing better geographical adaptation (*ibid.*). Regarding the Kemeny approach, Stephens (2016) notes that when reading housing systems from there outcomes special attention is required given the fact that available EU-SILC data refer to multiple countries with often greatly varying living and housing standards and societal norms.

Welfare Regimes	Welfare Systems
Ideal-types referring to power structures affecting reallocation of life-chances. Suggested for macroscopic comparative research of larger number of countries with distinctive differences	Not always corresponding to WRs due to variations, WSs reallocate payment for welfare services over the life-course. Suggested for studies of systems with small differences and/or similarities
Housing Regimes	Housing Systems
Regard ideological power structures affecting housing provision, allocation and consumption through the State-Market-Family triangle. Linked to WRs but findings on the true nature of the connection remain debatable	Operate within the framework set by Welfare Regimes. Same WRs may lead to different HSs, and HSs may copy WS. Housing Systems are formed under Market and Housing Policy forces. Inversely, HSs affect Welfare Regimes
Housing Policy	Housing Outcomes
Regard specific sets of measures affecting affordability, tenure structure, housing provision, etc.	Relate to the combined effect of Welfare Regimes and Housing Policy

Table 1.1 - From Welfare Regimes to Housing Outcomes (source: author)

2.4 Uniqueness of Housing

Despite its crucial role, housing has been avoided in the mainstream welfare debate mainly due to serious issues regarding the measurement of its effects in different welfare systems (2001; Dewilde & De Keulenaer, 2003; Ronald, 2007; Ronald & Doling, 2010) but also due to its unique characteristics and positioning (Kemeny, 2001/2006). One of the most unique characteristics of housing is its composition as a discipline. Housing issues require analyses and approaches stemming from a multitude of other disciplines like political science and sociology (Dewilde & De Keulenaer, 2003; Stephens & Van Steen, 2011). Additionally, housing interacts with the wider welfare and labour market and is interlinked to the legal system (tenure, property rights) and mortgage finance complex (Stephens,

2011). That means that studies focusing on one or another – or even a few – indicators and features will just not suffice. So, for example housing is related to income (levels, redistribution etc.) but this will be far from enough to explain complex processes and outcomes. Indeed, processes have received far more attention than *outcomes* thus creating serious issues in integrating housing in welfare system literature. Under this mentality, the impact of housing to the welfare systems and its distributional effects are insufficiently understood (Stephens & Van Steen, 2011).

Another important characteristic has to do with housing having a ‘double identity’ both as a tradable capital asset or investment good (dwelling) linked to the purchase market and a tradable service-consumption good (accommodation) linked to the rental market (Fahey & Norris, 2011; Stephens, 2011; Griggs & Kemp, 2012). Omitting to consider this duality leads to downplaying the direct and/or indirect influence, intervention and role of the state (Fahey & Norris, 2011). Housing is simultaneously a private (individual market) commodity and a public good requiring state intervention, and it is a sector involving a significant number of hidden expenditures. As an asset housing can be commodified while as a service familialised (*ibid*).

Housing is not only embedded in societal structures like Kemeny suggested but also to the wider national and historical context. Stephens (2011), discusses on the path-dependency of housing. Previous policies, capital investments, mentalities and expectancies strongly affect present and probably future outcomes even in cases where they are not still active (Stephens & Van Steen, 2011). Dewilde & De Keulenaer (2003) agree with housing policy being tied to a path-dependent evolution - that may had started due to consciously chosen reason or accidentally - adding that the more deadlocked a system becomes the more difficult its further development becomes. Bengtsson (2009a) characterizes housing as strongly path-dependent and slow to change. Paths chosen in the past due to apparent legitimacy, efficiency and/or power make hard to seek and follow paths left behind. Despite all this housing path-dependency has been neglected in many instances.

For Stephens (2011) the distinctive element of housing has to do with its positioning within a wider socio-economic configuration and being focused by public policy in various ways (‘System Embedded Approach’). Stephens (2011) expands on the sociologist term of ‘embeddedness’ (Granovetter, 1985) so as to include housing. Under such a prism housing-

related behaviours and mentalities are strongly affected by social network interactions. This approach can be used when assessing housing familialism for example and its reinforcement from one generation to another. This also explains why housing choices may seem distant to investment and overall financial considerations. Under constant pressure, housing markets will eventually will more or less attune to sociological forces which has for example been the case in Bulgaria and Greece.

Housing is directly related to durable assets with strong and long-lasting impact on the built environment also. These assets are pinned to a certain location (leading to heterogeneity) and intertwined with various area effects (externalities). Furthermore, the impact of policies focusing on the built environment will take some time to manifest (Hoekstra, 2003; Bengtsson, 2009a; Stephens, 2011). Likewise, due to its nature housing conditions and outcomes (tenure structures) need persistent investment/expenditure in order to significantly change (Norris & Domanski, 2009).

Stephens *et al.* (2010) showed the link of housing and the housing system with a variety of outcomes not only from the sphere of welfare but from the wider socio-economic spectrum. Homelessness, inter-regional mobility, inter- and intra-tenure polarization, housing and income poverty, were some of the outcomes examined. Housing policies are the amalgam of different public and private actors (Stephens, 2011) in the state-market-household triangle (Allen, 2006; Norris & Domanski, 2009). Such policies are hard to identify as they are not – clearly – implemented by the bureaucratic mechanism. Even in cases where only certain public actors are involved, identifying housing policies still remains an issue. Hoekstra (2003) refers to the fiscal schemes regarding owners being a decision of the Finance department without involving others, but still remaining unclear whether these policies are subsidies or not. Moreover, fiscal schemes belong to a wider taxation system.

When compared to other household expenses, housing is the single largest item which clearly makes it a risk in cases of income hardship (Kemeny, 2001; Griggs & Kemp, 2012). Moreover, housing property taxation is whole influencing factor by itself. Taxes on imputed rents, land values, capital gains, property values and transactions affect housing prices volatility, not alone, but in conjunction with other volatility-affecting factors. Of course carefully planned housing taxations schemes can counter (extreme) fluctuations in housing demand and supply (Haffner & Oxley, 2011).

While the special characteristics of housing (assets, policies, impacts) that should be taken into consideration are numerous, doing so will increase the possibilities to reach a rewarding result in the comparative housing research (Stephens, 2011).

2.5 Housing: The 'wobbly' welfare pillar

Integrating housing in the welfare state literature has been a challenging task as their connections is evidently a pretty complex issue (Malpass, 2004). One of the most semantic characterizations of housing as a welfare sector is that of the 'wobbly pillar' as expressed by Torgersen (1987), and later extensively discussed. Housing has rarely been strongly or dominantly provided by state mechanisms unlike other welfare pillars like health care and pensions. Private initiative and spending along with market mechanisms have historically undertook housing provision. *Secondly*, and consequently decommodification of housing has remained weak in most country systems. Through extensive privatizations latest decades saw the shrinking of social housing sectors even in systems where it has been historically and systemically stronger, mitigating the risk to the private sector (Harloe, 2005; Kemeny, 2001/2006; Malpass, 2004/2008; Roland, 2007; Norris & Domanski, 2009; Fahey & Norris, 2011; Stephens *et al.* 2010; Stephens, 2011; McKee, 2012).

Regarding private consumption, housing has become the 'cornerstone' of household welfare due to its capital value (Malpass, 2008), especially the case for the elderly and their well-being. Ronald & Doling (2010) note that housing functions both as public and a private good and wealth source. Malpass (2004; 2008) analyses the UK system discussing on the presenting the 'wobbly pillar' and 'cornerstone' approaches as both valid for explaining (past) welfare-to-housing links. Following his rationale, housing has become central ('cornerstone') in boosting economic growth in the modern open-market context, being turned into an private matter and a means to personal wealth accumulations, mainly though homeownership. On the other hand, social housing has become residual ('wobbly') and stigmatized with socioeconomic failure within a consumerist society. Not all elements can be used to describe every cross-system and within-systems variation regarding for example the situation in social housing or the reasons, processes and outcomes of homeownership, in different countries. What these points do is to provide a supportive framework for the 'Cornerstone' approach. Malpass (2008) recognized these two

approaches may not be sufficient to explain contemporary complex configurations. On whether housing can or should carry the burden of being a welfare 'Cornerstone', Malpass stays sceptical. The welfare capacity of housing seems to be finite and volatile mainly due to financial risks regarding housing as a tradable asset. Plus, exclusion and wealth inequality issues persist, like for example large parts of the population not having access to homeownership. Viability of such an welfare approach seems highly precarious.

Housing has been considered standing on the borderline of the welfare state's influence sphere and rarely seen as one of its explicit obligations (Harloe, 1995; Kemeny, 2001; Malpass, 2004/2008; Dewilde & De Keulenaer, 2003; Fahey & Norris, 2011). Its inclusion as an irreplaceable welfare pillar - albeit 'wobbly' - is strongly supported (Kemeny, 2001; Malpass, 2004; Stephens & Van Steen, 2011; Stephens, 2011). At the same time, comparing housing to the other welfare pillars is far from a good choice due to its unique characteristics and positioning within the welfare state system (Fahey & Norris, 2011). In some systems housing remains a central issue requiring state's protection as it a productive sector of the economy (comprehensive/institutional housing policies), and in others no more than a residual state responsibility focusing only on those excluded from the housing market (Ronald, 2007). According to Kemeny (2006) the unique positioning between state and the market is what makes housing so interesting and one of the optimal discipline to examine power-structures. It is the same standing which makes housing a common ground where a number of different actors and interests interact, something not happening so intensely in other welfare sectors. While other welfare sectors show similar or clustered cross-country patterns housing with its unstable and floating nature and behaviour may be the key to understand welfare state differences (Kemeny, 2001).

Regardless of welfare, state's intervention and impact in the housing system (market and policy) is multifaceted and varying from one era to another. Therefore, an appropriate combined approach is needed to understand relevant processes and outcomes (Fahey & Norris, 2011; Stephens, 2011). Areas of state intervention relating to housing include the capital markets and the housing provision sectors. State interventionism can be characterized as direct or indirect and comes in various forms ranging from *regulatory* moderation framework i.e. building standards, tenant protection and rent control; to *financial* moderation i.e. tax reliefs/breaks and wider state-promoted credit flow policies targeting housing system formation. The former regards housing as accommodation, while

the latter also affects housing as tradable asset tenure (Doherty, 2004; Fahey & Norris, 2011). Indirect interventions require minimum to practically zero public spending, do not interrupt market operation while averting its dominance, and link to covert wealth transfer. The ways in which state intervenes go far beyond direct subsidies and are hard to track, measure and compare cross-country. Most categorization of systems according to state intervention do not take into account the totality, correlation and interaction of sub-systems and sub-policies but stick to direct public subsidizing and social housing provision (Fahey & Norris, 2011). Norris & Domanski (2009) refer to housing input as state's direct (spending) or indirect (housing policy regimes) presence, and outcomes as the tenure structures produced. They note these two elements contribute to focusing on cross-country systemic similarities and differences but without saying much for the people's actual housing experiences.

Housing is expected to remain in need of state support within a wider socio-economic and welfare context (McKee, 2012). Public policy deeply affects housing markets and outcomes (Doherty, 2004; Van Gent, 2010) while lessened (social) policy is tied to social exclusion issues (Dewilde & De Keulenaer, 2003). Nevertheless, assuming the existence of a universal housing to welfare state causal relationship is rather farfetched without including interactions with the wider institutional and political contexts (Van Gent, 2010).

2.6 Housing Policy Regimes: Convergence vs. Divergence

Divergence approach in housing theories which is today considered today *by default* as evident is actually the product of an evolutionary path originally departing from Convergence models (Kemeny, 2001; Stephens *et al.* 2010). Norris & Stephens (2014) contribute towards a clear summary of these approaches. *Convergence Approaches* characterized by the semantic analyses of Donnison and Harloe (also Arbaci and Lennartz, 2011 discussing Hoesktra, 2003) assumed future convergence towards uniform housing regimes (comprehensive and residual respectively). Donnison distinguished three housing policy regimes in *industrialized* societies: the *Residual/Social Regime* of wealthy countries with strong public support of those disadvantaged; the *Comprehensive Regime* where strong state support attempts to cover housing needs of the wider –population, as a means

to socioeconomic growth; and the *Embryonic Regime* with an underdeveloped rural profile and minimum market intervention. Donnison's implicit convergence lies in the theorization that these regimes are stages from which eventually all countries will pass, evolving from the *Embryonic* to the *Comprehensive Regime* (Norris & Stephens 2014, p. 2). Harloe (1995) linked tenure patterns to dominant capitalist requirements focusing on private market characteristics of housing (Hoekstra, 2003). Dominating private rental sector was linked to *laissez-faire* market, large-scale social housing to *Fordism*, and high rates of homeownership combined with 'safety net' social housing to *declining* social housing. Later works also including the Post-socialist countries reflect convergence approaches, like the analysis of the East European Housing Model in which countries of the region fit, although variably in time and space, during the era of centrally controlled, planned and owned social housing. After a transition period the Residual model was supposed to prevail also under the pressure of globalization (highly mobile capital) and state deregulatory forces.

On the *Divergence* path, Kemeny (2001, 2006) contribution has been highly influential, classifying countries according to their housing policy, leading to a dichotomous typology of *Dualist* and *Unitary* housing systems. Kemeny's thesis is not just about the typology (description) though. There is a constant effort to explain the reasons these types emerged and link this to the welfare state. Housing is a strong influential factor structuring societies and welfare states. He linked high homeownership rates to the famous "trade-off" theory and related to *privatist-individualist* societal ideologies. Inversely, rented dominated collectivist societies link to extended welfare states (Lennartz, 2011). For Kemeny, differences in housing are the outcome of specifically chosen 'political tenure strategies' linked to ideological and cultural elements (individualism and collectivism). Through his work housing has been positioned as central to welfare state formation, having impact on people's everyday life (Kemeny, 2011; Lennartz, 2011), urban forms, welfare and housing consumption, and being important to understand various social patterns (Ronald, 2007).

Re-establishing Kemeny classification, Stephens & Van Steen (2011) note that: In unitary rental housing market a unified rental sector is being created through the completion of a cost rental sector exploiting cost falls due to housing debt maturation, with the market rental one. The unified sector offers competitive rents as an alternative to Home-ownership. In a dual rental housing market maturation concerns the government or previous tenants acquiring the dwelling in a discount price from the public sector. In such a command

economy social rented sector is for the poor and is kept separated from the private rented one. Rental market is not a competitive alternative to owner-occupation which remains a tenure of choice. Some comparative housing studies (e.g. Norris & Fahey, 2014) departed from the not-about-housing Esping-Andersen (power structure) typology. Following a divergence perspective gradually expanded the literature by adding inter-country idiosyncratic elements, highlighting differences and similarities especially regarding homeownership. For Southern European systems, Allen (2006) identified high homeownership through extended self-provision, absence of state versus extended family support, intergenerational transfer of assets and co-habitation. In East-Asia expansion of homeownership passed through indirect state support policies and a very discretionary direct public spending. Apart from homeownership, Hoekstra (2005) traced similarities between the East-Asia countries and the Southern European welfare regimes in late industrialization and persistent familialist systems. In Ireland and Norway welfare state and housing policy supported homeownership as a means to property acquisition rather than income redistribution, mainly due to agrarian unrest and not because of some urban labour movement (Norris & Fahey, 2011; 2014). Adopting the divergence approach in no case does signify inability to group countries. Based on sets of shared characteristics countries can be clustered in different regime types (Stephens & Fitzpatrick, 2007).

2.7 Market Perspectives: Varieties of Residential Capitalism

The Varieties of Capitalism literature has its bases on the semantic work of Hall & Soskice (2001), with a large number of scholars contributing to the debate (indic. Becker, 2013; Callaghan, 2007; Crouch, 2005; Deeg, 2007; Fioretos, 2010; Hall & Gingerich, 2004; Hall & Thelen, 2009; Hay, 2010; Jackson & Deeg, 2008/2012; Rhodes, 2005; Schwartz & Seabrooke, 2008; Schwartz, 2010/2012a,b). The VoC literature started from a relatively limited scope and focus on firms as major nation-wide economic actors, largely discussing the *institutional complementarities* theory and establishing the dualist typology of the *Liberal and Coordinated Markets Economies* (LMEs and CMEs). Firms were set as the focal point and analyzed on their attitude and decision making in correlation with the distinctive institutional structures of the nation in which they were based and operating, in order to tackle with a series of inter-firm issues. Due to the differences among nations'

institutional structures, answers to emerging issues are also differentiated, shaping various national economic institutions and respective relationships (also Lauder *et al.* 2008). Azmanova (2012) argues that the VoC and Welfare Regimes both are taxonomies trying to effectively describe the established compromises between capitalism and democracy after the World War II (Welfare Capitalism). The VoC tries to describe how different actors operate inside an economic environment leading to the LME, CME and the intermediate *Mixed Market Economy* (MME) typologies. Mixed Market Economy is often used to characterize Southern European countries (Hall, 2001; Azmanova, 2012) with elements of systemic resistance and challenging path to institutional reform (Rhodes, 2005). Welfare regimes deal with variations in the quality and quantity of social benefits provided leading to a Liberal, Conservative and Social democratic taxonomy. Apart from praise, the initial VoC doctrine has received massive criticism (see Lane & Wood, 2009; Morgan, 2009; Gertler, 2010; Jackson & Deed, 2012; Becker, 2013), mainly due to its dualism and static approach based on ideal-typical models. However, an extensive discussion on the VoC criticism largely escapes our scope. Today the doctrine is still expanding to many directions in order to fill the theoretical gaps, cover more cases - especially the contested and/or transitional ones, and explain institutional changes over time and space, among others.

Expanding and adapting the classic Varieties of Capitalism doctrine to the Residential context, Schwartz & Seabrooke (2008) offer a different reading on the welfare – housing link, where financial elements like the mortgage debt are equally considered (Stephens & Van Steen, 2011) along with tenure patterns and especially owner-occupation. Housing is (re)positioned as central in the countries' Varieties of Capitalism, but also interconnected with the overall economy (housing prices, interest rates, wealth distribution etc.), politics and policies, social peace and stability. For complicated systems severely affected by societal perceptions, preferences and aspirations on housing, the Varieties of Residential Capitalism approach is helpful in providing explanation of processes and outcomes.

According to the VoRC analysis housing of any form is regarded as a welfare element in many societies with profound repercussions in many levels. Any malfunction or insufficiency of the housing systems has deep socio-political and financial impact. However, due to its tradability as an asset, housing remains a *unique* welfare resource. In some societal contexts it may be considered foremost as a core social right in need of state and civil society protection, while in others mostly as a means to wealth accumulation. In

most countries residential property is the core type or often regards a single asset of households or individuals. Paired with relevant housing costs, it has a considerable impact on household budget, which of course varies from one country system to another and from one era to the next.

Especially regarding homeownership, there is a notable 'trade-off'. High homeownership rates are inversely linked to an extended and quality welfare state. In systems where the welfare state is weak or limited, investing in housing and seeking homeownership seems the rational choice. However, this route may lead people to financial over-exposure, mainly through extensive mortgage borrowing. Regarding housing costs it is interesting that the total life-cost for renters and homeowners is not significantly different. The biggest difference is in the distribution of this cost. For renters housing cost is split in a more balanced manner, incrementally (ideally) evolving according to their income potential over-time. Homeowners on the other hand feel the cost pressure stacked upfront. Large amounts of payment are needed in the early life of young households/individuals where their income capacity is significantly lower. Such vulnerability deterministically drives them in cash income-seeking and forcing them to not accept higher taxation for welfare services. Renters are not bound to such compromise. This 'trade-off' along with related financial risks render housing debt a key factor not only to household budgets, but also to the country financial system as a whole. Neoliberal forces tend to enhance homeownership as a consumable asset which in turn increases speculative investment, exposure to mortgage debt inflation and consequently housing bubbles (also Schwartz, 2010; 2012). Furthermore, systems with high homeownership heavily dependent on family resources and self-provision are more prone to housing prices booms and busts with a deeper financial and welfare impact on households. In such systems residential property is subject to intergenerational transfers reproducing systemic inequalities creating a systemic insider-outsider dichotomy.

On a *political* level electorate orientation are significantly affected by housing policy trends. People will tend to favour policies and political parties protecting the right to quality and affordable housing. This regards either the access and/or safeguarding owned housing property or social welfare housing. Voting preferences evidently affect the evolutionary path of the welfare state as a whole. Overall, dominantly homeownership societies will be more prone to respective partisan politics, heavily impacting *institutional* reforms attempts.

Different VoRC stem from citizens perceptions about housing and a welfare trade-off. In some countries housing is neither a pure welfare form nor an investment tool but rather a varied mixed perception prevails. Referring to Kemeny, homeownership is not considered a result of an increased income per capita but rather a socio-political choice. According to Castles' critique on Esping-Andersen and Kemeny, homeownership is strongly linked to resistance against welfare tax-payment and spending. If there is a broad change in mentality about housing, a strong political conflict is to be expected. According to VoRC, ideas on residential property can be manipulated by political and economic elites.

In their analysis Schwartz & Seabrooke (2008) used two indicators to classify systems, mortgage debt to GDP ratio and homeownership rates. The former indicates exposure to national and global financial forces, while the latter links to the size of social rental sector and overall commodification of housing; and consequently independence to global capital markets. However, Stephens *et al.* (2015b) proposed a more elaborate approach adding two additional indicators, rates of owner-occupation and house prices trends in long-term. From these additions, the former incorporates the much necessary distinction between ownership and owner-occupation. The second one gives a picture of the housing market fluctuation. The totality of the four indicators gives an outlook on the housing assets' liquidity. In order to determine familialism Stephens *et al.* (2015b) seek the percentage of households with extended families, number of children residing in the same house, adult children in the same house and percentage of single elderly residing with others, as necessary indicators.

Classification of Residential Capitalism

According to Schwartz & Seabrooke (2008) VoRC analysis four models emerge, each one mirroring the respective link between housing, mainly homeownership policies, state interventionism, and welfare state - along with any 'trade-off'. Low homeownership and Mortgage-to-GDP rates in a *Statist-developmental* VoRC systems housing (not homeownership) is a social right, market is lowly segmented, property tax income is low and social rental sector is controlled by private organizations. In *Corporatist* systems housing (not homeownership) is also regarded as a social right, but within a heavily segmented market where owners compete renters' interests, and stays detached from family support. Property tax returns are low as owner-occupation rates are low while mortgage-to-

GDP ratios are high. Intergenerational equity issues exclude outsiders from entering the housing system, also due to re-pricing from previous landlords climbing up the housing market ladder. In a *Liberal Market* system high homeownership and mortgage-to-GDP rates make housing (as investment assets) highly commodified. Market is heavily segmented with owner competing renters interests. Property tax revenue is high and market mechanisms are the sole means to access housing. Again, outsiders are left out of the system due to intergenerational equity transfers and pricing. Lastly, in *familialist* systems with high owner-occupation and low mortgage-to-GDP rates, housing is non-commodified but neither decommodified. Houses are a family social good, but housing is not considered a social right. Access to housing is mostly off-market and property tax returns are low.

According to regulation regarding mortgage lending like interest rates, different market types behave variably. In a *liberal* market mortgages will be allowed to circulate in the open market allowing for higher and longer-term debts as risks can be mitigated if needed. In such systems mortgage-to-GDP ratios will be higher or trending upwards. In systems where such options are limited due to regulation and/or market functioning, mortgage lending will be limited with higher interests and upfront payments, shorter in duration, and more restricted rolling the risk over to borrowers. *Familialist* and *State-Developmentalist* systems most possibly show limited mortgage lending. Limited bank lending transfers housing welfare burden to the family, significantly restricting consumption. Schwartz & Seabrooke (2008) highlighted the issue with fitting housing systems to welfare regimes under such a financial prism, as levels of limitation vary even within the same group-type.

It is important to note that in systems with low homeownership, renters should not be automatically considered more protected from market pressures. Depending on the housing system configuration renters may be 'trapped' or at least lowly mobile within the market due to limited resources and consequently choices. Strong social rented sectors seem to provide protection to renters to a certain degree. State subsidization of public residential property has repeatedly been linked to de-incentivize housing market development and maturity; reproducing housing system imbalances in the state-family-market triangle. Mortgage borrowing level and access mode is a significant factor to consider upward housing market mobility. Mode of access to mature housing mortgage loan markets also has an impact on family strategies. In systems where lending is based on total family income women employment will be forced higher creating stronger need for a sturdier

welfare state as in-house welfare services cannot be possibly covered otherwise. Where the bank lending is stringent pressure on family resources will most likely lead to extended cohabitation.

2.8 Institutional Dynamics

One of the most interesting elements in the VoC and VoRC doctrines is their commonality regarding systemic functioning. Indeed, both are based on a thorough institutional focus. Institutions and their interactions *do* matter regardless of them being legitimate or not, officially established or otherwise. One of the basic elements of the Varieties of Capitalism doctrine is the importance of institutions and more specifically their complementarity. Institutional complementarity is important for national comparative advantages and the overall success of the national economic system. Accordingly, each different VoRC has its own set of institutions linking homeownership and the welfare state and state intervention on housing as a whole.

Institutions are social forms of organization that lead to and establish certain repeated behaviours due to custom, tradition or legal regulations. Family, religion, legal system, school, corporate-governance systems, industrial relations, partisan politics, elections only some examples of *institutions*. Their formation is the outcome of socio-political processes and compromises related to power distribution between involved *actors* and their interaction (Jackson & Deeg, 2012). Institutions are about power structures and the rules, prevalent social interactions, and formal and informal human-created constructs for behaviour constrain i.e. laws, societal norms and perceptions (Pinto & Pereira, 2013). Bruff (2011) argues that institutions are the outcome of an historical evolutionary path of accumulating common perceptions regarding the functioning of capitalism. Pinto & Pereira (2013) contest that institutions and their performance *do* matter. However, such a debate is better accepted in less developed countries than in 'mature' economies. Every actor is *deemed* conscious about the rules and the ways of the game, assuming autonomous social interactions (*ibid.*, p.760). However, this cannot be presumed to be true - or equally valid - for every system. Partisan politics, weak financial influence, misinformation or even systemic corruption, may render some actors *de facto* excluded from the bargaining process. Institutions' power lies in the capacity to affect actors' lives directly and/or

indirectly, liberating or (further) constraining them. Institutions constitute basic elements of socio-economic relation and not solely restriction. Hall & Gingerich (2004) noted that some actors may gain comparatively higher returns against other groups, due to favourable institutional interaction.

Analysing interaction and performance, *Institutional Complementarity* is defined as the state of two institutions in which the presence of the one increases the efficiency of the other (Hall & Soskice, 2001; Hall, 2001; Deeg, 2007; Lauder *et al.* 2008; Hall & Thelen, 2009; Watson, 2010). IC is considered to be an important element of national economy's stability, efficiency and coherence (Hall & Soskice, 2001; Jackson & Deeg, 2012), with, capitalism typologies being based on complementarity (Deeg, 2007). Institutional combinations create structures which affect how capitalist economies evolve socio-economically over time and over space (Gertler, 2010). *Welfare systems* can be understood also through the IC theory as the combined total of interlinked and complementing institutions. In welfare regimes terms different institutional formations exist even between countries of the same group (Höpner & Schäfer, 2010; 2012).

Complementarity doctrine has expanded to various institutional spheres and levels, while additional elaborate forms have been discussed. *Supplementarity* regards the effect of one institution covering the insufficiency of another, safeguarding actors' interests. One such an example is family self-provision of housing welfare within respective systems. *Synergy* describes the joint operation of institutions leading to reinforcing effects of compatible incentive structures (Deeg, 2007; Lane & Wood, 2009). Different from complementarity is *coherence* where institutions have identical principles that may lead relating actors to interact without deterministically linking to better performance. Thus, institutional coherence may or may not lead to, and is not prerequisite for complementarity. Common historical paths may drive actors to choose similar institutions as a solution to different socio-political issues (*ibid*). *Institutional compatibility* is irrelevant to complementarity or coherence but related only to systemic stability. The final element of institutional interaction is *clustering* where institutions are grouped and compared according to the case at hand. Clustering may be tied to complementarity but not deterministically, as such institutional clusters may as well be inefficient (Deeg 2007, p.613).

In housing systems institutional interaction is especially important, as it provides another explanatory reading on why systems followed different evolutionary paths between countries 'classified' as belonging to the same group. Institutional interaction takes into serious account national societal preferences and political power bargaining. *Secondly*, institutional interaction sheds a light on the reasons systemic change may be met with significant resistance from multiple actors, heavily impacting policy implementation.

2.8.1 Institutional Change and Inertia

According to Hall & Soskice (2003) the Varieties of Capitalism doctrine is the basis to understanding institutional change and interest shift. Institutional changes have been categorized as *Reformist* when government-led or promoted by coalitionist politics, *Defectionist* when major actors withdraw from key institutions or regress to pre-existing institutional rules, and *Reinterpretationist* when major actors incrementally change views re-interpreting rules without defecting or dismantling former institutional structures (Hall & Thelen, 2009; Gertler, 2010). Political economy is presented as an institutional 'ecosystem' where different actors have their strategies conditioned by numerous institutions. Change is about multilateral adjustment (*ibid*). In order to understand and analyze institutional change effectively one has to take into consideration *Forces* and *Vectors* of change, institutional *Inertia* and systemic *Impedance*. Their combination determines the initialization and completion, as well as the success (direction) and nature (substitution, transformation or reinforcement) of institutional change. Change can be triggered due to a number of reasons, and happen either more or less radically or come as natural outcome of an incremental institutional evolution. Forces of change can be *Internal* (intra-national) or *External* (supranational) according to their source and nature, or mixed. *Internal forces* can be related to societal and capitalist shifts, as institutions are argued to be based on them rather than the opposite (Bruff, 2011). Moreover, Hall & Thelen (2009) comment that acceptable cultural behaviour and action is not necessarily, always or fully determined by institutions. Civic demand and incentive for reform are also powerful forces of change (Schrunk, 2009).

Not all actors enjoy complementarity equally, so institutional change may as well reflect differentiated actor interests and their eventual prevalence, related to certain policy choices (Deeg, 2007). According to Crouch *et al.* (2009) theory on institutional durability, it can be

inversely argued that weakening actor group-interests constitutes the first step to change mostly through *defectionist* institutional 'erosion' trends (Hall & Thelen, 2009). Actors as well as institutions can be vectors of change. Various interest groups may function in a detached, interlinked, complementary or conflicting fashion. The state is an example of omnipresent institution operating also as an actor with its own - dependent or independent - agenda, according to context.

Complementarities may lead to institutional change, with a hard-to-establish causal link however. Deeg (2007) argues that institutional complementarity weakens with time, creating a window for intervening forces to act. Similarly Rhodes' (2005) notes that institutional relations gradually turn dysfunctional eventually generating institutional change, countering the classic Varieties of Capitalism doctrine wanting complementarities become perpetually stronger. Institutional change can be the outcome of incremental transformation due to experimentation (Hall & Thelen, 2009).

Another important issue is the changes happening in other political economy spheres. Hall & Gingerich (2004) underline that various policy spheres and respective institutions are more or less interconnected and interacting, something which is often underplayed in policy decisions. Institutional change may very well be the result of a wider institutional shift. Systemic changes in one policy sphere may impact on other institutions in a domino-type fashion (Hall & Soskice, 2001; Hall & Thelen, 2009).

External pressures for change operate on and from a supra-national level. Such pressures are mainly political and financial in nature, like EU integration and the impact of the global financial crisis respectively. Such forces are filtered through national systems and affecting them in a multitude of ways. Apart from that, societal interaction on a global scale slowly affects national institutional structures and configurations.

Inertia is being used to describe the institutional inherent or acquired resistance to change. Such an element is extremely important to evaluate changing patterns as well as possible outcome of undergoing changes, always in relation to impeding forces. Deeply rooted institutions seem to resist shifts and changes. Even when shift is imminent and perhaps inevitable, acquired historical, customary momentum along with weak political will, may delay institutional change. Structurally, some systems like coordinated-market economies favour institutional inertia (Hall & Soskice, 2003).

Strong institutions relate to socio-political and financial *complementarity* and *efficiency*, *rewarding outcomes* for dominant actors, national *comparative advantage*, and *persisting support* due to tradition, historical, customary, political and financial reasons (Hall & Soskice, 2003/2007; Schmidt & Hersh, 2006; Callaghan, 2007; Deeg, 2007; Crouch *et al.*, 2009; Hall & Thelen, 2009; Lane & Wood, 2009; Carney, 2010). These elements are basic to the institutions' temporal transcendence and their inertia to change. In turn, these characteristics function as factors further supporting and reinforcing institutional inertia. Institutional stability is related to maintaining the balance between various group-interests which are shaped according to a multitude of factors (Hall & Thelen, 2009). The more and better institutions provide for the key actor-interests, the more resistant it becomes to change, defection or abolishment (Crouch *et al.*, 2009). However, Deeg (2007) underlines the need for empirical verification of institutional complementarity existence and strength, before using it to assess changing trends. The aforementioned inertia factors at the same time *impede* institutional change in case it seems to jeopardize their integrity (Hall & Soskice, 2003). Impeding forces may be the cause of individual or joint action of interested parties, through or outside institutions, to intercept, control or moderate institutional reforming processes.

2.8.2 Path Dependency

Policy path-dependency constitutes basic element in an increasing number of housing studies (e.g. DeWilde, 2015a; Lux & Sunega, 2010/2014; Stephens *et al.* 2015b). Path-dependency is based on the concept that past forms (policies, institutions, norms etc.) lead to certain routes either by 'forcing' specific paths or by rendering unattractive or even practically inapplicable any radical divergence (Bengtsson, 2009a). There seems to be widely agreed that past decisions significantly affect present and future policies in housing. Historical evolution of institutions and related path-dependency can help understand policy choices and housing provision outcomes (Bengtsson, 2014). Apart from policy, Stephens *et al.* (2015b) saw this path-dependent '*transformation*' of the post-socialist systems, and self-build as housing welfare post-1990. Lux & Sunega (2014) argue that post-1990 privatization of housing stock was in reality a path-dependent post-socialist policy to transform quasi-ownership of the socialist era into full legal homeownership.

The element of path-dependency and institutional inertia is particularly strong in welfare regimes in many country cases (Hulse, 2003) but such an assumption/presumption should not be made *prima facie* (Draxler & Van Vliet, 2010). An example of potential divergence from path-dependencies is the group of transitional New member states of the central and eastern Europe undergoing a rapid reform phase trying to diverge from their Socialist/Communist paths (*ibid*). Hulse (2003) also underlines the original Esping-Andersen typology overemphasizing path-dependency which stands insufficient to explain actor-initiated changes. Bengtsson (2014) points out that path-dependency analysis has to go beyond formal institutions, including their impact on an *ideational* level (p. 687). *Informal* societal perceptions on the meaning of homeownership for example, often become institutionalized, and are thus harder to change than formal institutions (*ibid.*), and even tenure patterns. Consolidation of such perception may accompany or develop regardless various formal policies. It would be rational to assume that in 'weak' states path-dependency will appear more consolidated and even somehow 'binding'. 'Weak' states will tend to have a larger number of self-formed institutions - often let to operated in *laissez-faire* manner - and thus harder to affect through state mechanisms. Apart from an often meagre political will for change, lack of resources further hinders any attempt to modify norms. This is for example the case with systems where family undertook the burden to cover housing needs through self-help strategies.

2.9 Politics in Perspective: Corporatism in Housing

Last decade saw the somehow hesitant re-emergence of Corporatism theory analysis, after almost twenty years of declining academic interest. This relatively recent re-emergence seems especially interesting as the Corporatism doctrine has surpassed its original analytical confines becoming more flexible and adaptable to different theoretical spheres. Torpe (2014, p.205) underlined that Corporatism, considered as '*negotiating Democracy*', regards various policy areas. Corporatism perspective can now be used as an additional tool for locating and analyzing relevant dynamic institutional particularities instead of fixed system totalities, and respective interaction with and between actors. For housing such an approach can be exceptionally useful in capturing systemic specificities, within and among

countries. It has been repeatedly supported that housing system preferences and mentalities can strongly differentiate from the official national financial system.

Corporatism can be defined as the system where key decisions on political and economic issues are reached through a public-private sector bargaining and inter-counselling (Lindvall & Sebring, 2005). Organized interests partake in institutionalized forms (Rydgren, 2005) and power is divided between the central government and involved institutions (Pelinka, 1999). The link between housing and Corporatism may seem distant at first, but Jim Kemeny stated *"I think it is misleading to talk about 'housing theory' as though there is a special theory specifically designed for housing. Rather, there are general theories that can be applied to housing and that can link housing to other dimensions of society"* (Allen, 2005; p. 100). Corporatism theoretical approach offers an interesting reading on how and why housing actors interact and moreover how this interaction affects housing system institutional change. Lindvall & Sebring (2005) argued that the recently increased interest in Corporatism in policy-making and consensus can be attributed to the extensive need for mechanisms ensuring agreements and coordination in policy reforms within mature welfare systems, across various policy areas and actors with their respective group-interests. Torpe (2014) noted that corporatist networks positively affect social trust and the sense of equality. this seems especially important for housing, as systemic shifts may and often should be the result of multi-partite bargaining, to be optimized and stabilized. Bengtsson (2014) supports that combined studied of housing and Corporatism will soon grow, as the result of numerous national and international actors entering the housing policy and provision bargaining process.

Based on Molina & Rhodes (2002) analysis, neo-corporatism expands the doctrine relating to the need for and existence of institutional agreements through multi-partite bargaining, to ensure socio-political stability and policy legitimacy, especially in financially turbulent periods. They underline the importance of involved actors as the defining factor of neo-corporatism evolution. In Corporatist modernity the state holds an active but fluctuating role as a moderator, initiator or observer in multi-partite bargaining. Its varying involvement links to non-state parties strength and the fluctuating need to retain power balance between bargaining actors, avoiding asymmetries. As Corporatist structures shift, they lead to changes in bargaining processes. Public dialogue functions as an effective catalyst in most cases. In modern Corporatism political ideology orientation is far less or

even hardly important, comparing to policy social and financial efficiency on micro and macro-level, and representation during and in policy-making. Social pacts concern wider institutional reforms and change than in the past, adding to flexibility. As the number of issues bargained increases, agreement between interested parties becomes gradually easier to achieve. Compromise in one sector can be balanced or mitigated through an agreement on another bargained issue, rendering trade-offs likely to become implementable policies. Countries in long-lasting or temporary systemic deadlock may seek a solution through corporatist bargaining. Even where corporatist organizational structures are missing, repeating incremental evolution through public dialogue can lead to institutional restructuring. With higher chance of multiple institutional restructuring cycles, Molina & Rhodes (2002) see more flexibility and potential in such Corporatist modernity than in traditionally established Corporatisms like in Austria and Sweden. Attempting socially widely accepted and legitimized mix of policies with high financial viability, not only aims but also processes are being negotiated through extended public-private dialogue.

Modern Corporatism focuses more on policy making (dynamic detailed) rather than representation (static and generic), and 'political exchanges'. Political exchanges happen within various institutional environments, are relatively unbound to regulatory context and involve numerous evolving networks. Actors may bargain such non-financial transactions in autonomous, organized or collective manner. As shifting behavioural norms affect political exchange, new institutions may emerge (Molina & Rhodes, 2002). This also the case in weak institutional contexts and 'lean' Corporatisms. Actors' interaction may not always lead to positive evolution if their exchanging intensity weakens and/or Corporatism moves from stability to inflexibility as an ever-evolving mechanism. The number of asocial partners involved (quantity), the number of policy areas interlinked in the public-private dialogue (horizontal quality) and the actors' influence on policy from design to implementation (vertical quality) determine the degree of integration (*ibid*; Bache, 2010). Molina & Rhodes (2002) are not especially interested in labelling systems as Corporatist, but in understanding fluctuation of systems and sub-systems according to degree of integration and political exchange, as well as the dynamic evolution of corporatist governance affecting institutional frameworks and their varying embeddedness. Less formalized and harder to predict Corporatist modernity revolves around public-private dialogue of networks. Actors and structure should be analyzed as networks, their rationale

according to underpinning processes, and their development related to evolving integration and change of political exchange (Molina & Rhodes, 2002).

In social partnerships different actors from the public and private of the socio-political and financial spheres volunteer and join together with the scope of overcoming societal problems and achieve common goals through the utilization of their unique resources and abilities. Many governments now put forward social partnerships to resolve complex public issues but also to promote development and improvement. Moreover, EU institutions opt for social partnership as a good practice along the lines of national corporatism (Eising, 2008). Social partnerships can be: *Community SPs* (bottom-up, localized), *Enacted SPs* (externally sponsored, localized) or *Directed* (government sponsorship). Each type goes with different intensities of partnership conflicts³ (Seddon *et al.* 2004).

Through - the democratically necessary - lobbying, some interest groups will be better represented and have more chances to promote their agenda, seriously distorting the balance of equally effective participation (Naurin & Boräng, 2012). Different interests groups are expected to keep exerting political pressures -for example *via* parliamentary lobbying - by any means available even if it is not through corporatist structures (Rommetvedt *et al.* 2013). From Culpepper's analysis (2007) it is understood that while corporatist institutions show significant adjustment capacity, institutional change should not be expected to happen without some kind of clash between interest groups. Such a process is irrelevant of the country's size and finances.

Thorhallsson & Kattel (2013) conclude that small countries lacking corporatist structures are more vulnerable to financial crises and volatility, in some cases leading to a simplification of polity. For small countries it may prove easier to establish a strong and successful corporatism/social partnership system mainly due to a more limited number of involved partners (actors, institutions) allowing for a more incorporating and deeply consensual process. Under-organized economies can deal with their economic issues through social actors' coordination based on proper institutional frameworks (Royo, 2002). Bache (2010; Bache *et al.* 2011) focuses on the link between a compound polity and strong corporatism. 'Polity' is described by Schmidt (2007, p. 9) as the ways substantive policies and interactions between political and economic players are shaped by the political

³ Roles, interests or regimes

institutional context, in order to explain state action. *Simple Polity* refers to single-authority statist systems of majoritarian representation and *Compound Polity* to multi-authority, power-dispersed and corporatist systems of federal representation and regionalized institutional structures

Finally, Anthonsen *et al.* (2010) underline the effect of strong/close links between political parties and trade unions. They go against classic belief that such a tie is important for strong and effective corporatism. It is argued that such links create a polarized political environment where unions will be tempted to exert pressure on parties instead of bargaining with other actors, thus undermining corporatism itself (*ibid*, p. 118). In cases where the same parties rule the political scene for a prolonged period of time, these effects prove stronger. It can be supported that any kind of strong political party - actor link creates liability for political pressure undermining corporatism and support for relevant institutions. A weaker party-actor tie may indeed promote corporatism.

Housing Corporatism

For Kemeny (2006) housing is uniquely based on both markets and the state, making it a common place where different interests meet and often clash. Therefore, it constitutes an interesting sector to examine issues of power balance in welfare. Corporatist Regimes emerge through the power struggle of different interest groups towards a compromise solution with varying advantages of the involved blocs. Within a Corporatist system a varied tenure profile more or less reflects the existing actors and their bargaining strength, as each groups will tend to defend its interests. Actor diversity is often supported by and related to partisan politics. State-led promotion of homeownership can be seen as an attempt to welfare reform by shifting balances within the state-market-family triangle. Housing is a major regulator and driver of market-side solutions. Imposing an increased welfare burden on housing can be related to departure from income protection and reduction in public spending (Van Gent, 2009). Acquisition of housing assets can be promoted as a replacement to welfare services, while owners more or less consciously assume accompanying financial risks. Even more, housing and relevant reforms may constitute government tool for welfare reform (*ibid*, p. 736).

Kemeny (2006) concluded that following strong *right-wing* hegemony is linked to limited non-profit sector, centrally-planned command economy, and extended profit rental market. Homeownership is an alternative to profit rental market which in many cases links to sub-par housing. *Capital-led* Corporatism relates to limited non-profit sector of weak impact; *Power-balanced* Corporatism has profit and non-profit sectors on equal terms with the latter significantly moderating the open rental market; and *Labour-led* Corporatism links to dominant non-profit sectors. However, with empirical data indicating only Netherlands supported this case; it has been incorporated to the power-balance type. Kemeny analysis on welfare regimes does not see a difference between Social-Democratic and Labour-led Corporatist regimes, as both are Left-wing hegemonic coalitions. What is also interesting is his classification of welfare *sector* regimes, supporting that each welfare sector is characterized by different power balances between various involved interests. Where some actors may be strong in one welfare sector they may in parallel be weak in another in promoting their interests. Cross-country and over-time variation of interests produce varied types of sectoral welfare regimes like in housing.

2.10 Searching for one 'true' typology

Despite the connection of certain types of welfare regimes and specific parts of housing systems (Hoekstra, 2003; Hulse, 2003), Lennartz (2011) suggests that attempts to directly link welfare states and housing systems better be avoided as it is rather problematic. Concluding on welfare state typologies – a complex combination of many sectors – based only on observations of housing systems is not scientifically justified and carries many risks. Conversely, jumping from welfare regimes to housing systems is equally risky. Moreover, welfare states research focuses on national/state level processes where the housing systems analysis seeks those functioning on a micro/policy-sector one. The inter-connection is true but their inter-dependence not at all absolute (*ibid*). Returning to the issue of applying the fixed empirical typology of welfare regimes to housing, this may be futile as it was not intended for or based upon empirical study of housing markets and policies (Harloe, 1995; Hulse, 2003; Lennartz, 2011). Stephens (2016) argues that adapting typologies without understanding their functioning, risks rendering adaptations of low practical value. The persistence on establishing a direct link between the ideal-typical

welfare regimes and the housing system may lead to neglecting whole group of countries (e.g. Post-Socialist CEE) or details which differentiate one country from another even within the same grouping. Instead of a direct-link and clean-cut typology seeking, Lennartz (2011) proposed the adoption of an *ad hoc* approach where welfare regime comparison is based on a sector-to-sector and policy-to-policy juxtaposition (i.e. housing, health care, education etc). He considers the pension system a good example as it links welfare regimes and housing through the aspect of asset-based provision.

Stephens (2011) through the development of ‘System Embedded Approach’ supports that while a policy-related comparative research is particularly useful, something more is required. Such approach goes far beyond a limited juxtaposition analysis but in order to do that it needs to be embedded in a wider system. Housing policies exist and operate within housing systems which intertwine with wider socio-economic structures. Housing policy has to be examined in dynamic with institutions and the market, and the housing system in its interaction with wider socio-economic institutions like the Labour-market. Doling & Horsewood (2005) note that ‘...*there may be much more to housing issues than housing alone, so might also be more to them than housing and welfare provision alone*’ (p. 83), somehow expressing a similar concern. Malpass (2004) noted that when looking into the welfare state operation on housing, the governmental mentality regarding its interaction with the market, the non-profit and the public sector itself should be assessed as a whole. Kemeny (2001; 2005) also concluded that housing should not be examined in isolation but always be linked to wider policy areas, welfare sectors and relevant issues.

Kemeny (2006) classification of Dualist and Integrated systems discussed has received some criticism. *Firstly*, the dichotomous typology of Kemeny seems somehow static, artificial and suggestive downplaying or ignoring recent changing trends in integrated rental markets with often significant cross-country variation, like social housing privatization. *Secondly*, whole country-groups and systems are insufficiently or not at all covered in this theoretical framework, like the Post-Socialist, Southern European, and East-Asian countries. *Thirdly*, by focusing on processes instead of outcomes it does not set the link between housing and welfare systems, but vaguely indicating its validity. *Lastly*, Unitary systems are uniformly identified with social market economies, while Dualist ones with command- economy patterns (*comb. Lit.* O’Neill, 2008; Stephens *et al.* 2010; Lennartz, 2011). Despite his housing systems typology, Kemeny (2001) suggests not being

absorbed in creating typologies (descriptive) but focus on explanatory theories of power on why certain housing systems appear in one group of countries and not another. This is the only way housing will permanently enter welfare analysis. Kemeny (2005) inversely links welfare state and homeownership with the well known ‘trade-off’ theory, which will be analyzed in the following chapter.

The serious issue with pursuing an omnipotent housing system typology either starting from the welfare regime basis or from an empirical housing observation is that we may miss precious details. Even if a direct link could be or eventually is somehow established as uncontested, the internal processes linking indirectly housing with a number of other welfare elements are liable to be neglected. Considering housing’s complexity as a discipline and its numerous repercussions on a social, political and economic level – let alone welfare *per se* – we can easily imagine the loss of such an ‘obsession’.

2.11 Discussion

Welfare and Housing Policy

Reducing public expenditure for housing may often be the easier way compared to the demanding processes of an institutional reform regarding e.g. tenure mix (Bengtsson, 2009a), therefore seem more appealing in terms of policy-making. Institutional inertia, ‘weak state’, entrenched or opposing interest groups, low policy-making capacity and lacking national finance resources are a few of the reasons hindering institutional reform and change (Stephens *et al.* 2010). Housing policy instruments and/or Tenure alone and in isolation will not suffice. One needs to understand housing systems shaped by public and private actors/institutions and within which policy operates and interacts. So, Tenure for example even if it is the same among different systems will have distinct characteristics due to country-specific links with legal rights/obligations and social meanings, aspirations and repercussions. Housing systems are themselves embedded in wider socio-economic configurations⁴ (Stephens, 2011). Regarding rhetoric about the right to decent housing, solely as a principle, is too vague. Institutionalization of such declarations needs to be accompanied by concrete institutional frameworks, which in no case should be presumed.

⁴ e.g. nature and levels of housing allowances, subsidies etc.

Therefore, in many national systems and laws the right to housing stays distant to the actual policy-making. For some however, even as a sole principle it suffices to oblige the state towards housing provision as it is closely linked to numerous other social rights explicitly protected and promoted on a national and international level. Social rights remain open to debate, contextually defined and varying from one era to another. State administration discretion is necessary to promote them and be codified like civil and political rights, especially in times of acute inequalities and crisis (Goodchild, 2003).

Welfare State, Regimes and Housing

Welfare regimes typology cannot be applied directly to housing and even indirectly there are issues as it is now deemed outdated, fixed and limited in scope as a framework. Searching for direct links and/or omnipotent typologies is bound to sacrifice the benefits of a more elaborate approach. Housing can exert independent influence on welfare outcomes by being disruptive of income level and housing consumption linkage. Asset-rich but income-poor households and high rates of homeownership free of mortgage/debt are in many systems a more or less politically conscious counterweight to insufficient pension schemes and even a general welfare services provision. Properly allocated social rental housing can also serve towards this goal. Likewise, housing allowances could be useful to break the link but their role as social or housing policy is debatable (Stephens *et al.* 2010).

Welfare systems with heavy reliance on family resources for housing provision are extremely vulnerable to macro and micro-economical volatility. Even more, if the family resources are anchored to rent-seeking and public sector employment will experience turbulence as public cuts policies are expanding in the EU and are more severe in countries like southern Europe, stressed under financial and sovereign debt crises. Homeownership seems hardly able to support most or all of welfare services provision. That being said, housing is and will remain formally or informally a pillar of the welfare state, even if it is a 'wobbly' one. In fact this fluctuation may actually serve as flexibility and a 'shock-absorber' in times of crisis allowing the welfare state to siphon resources in other pillars (education, health care etc.). However, housing will have to be restored as a steady pillar once things get back on track, meaning that housing should remain within the welfare state influence sphere one way or another.

One should keep in mind that housing moves within the state-market-household triangle signifying the need for all three to contribute. Despite the flexibility allowing housing systems and policies to move within the triangle and according to times and needs, mono- or bi-polarization is bound to have seriously negative or adverse socio-political and financial effects (demographics, poverty, family types, housing consumption, real economy, socio-political upheaval, public health issues, built environment deterioration etc.). Times have changed and housing is no longer based on past structures, whatever they were. Flexible employment, global markets volatility and deregulation, welfare state retrenchment are only few of the elements comprising the post-modern socio-political and financial canvas. One of the things remaining stable is the universal need for secure housing as ensured accommodation. State's role towards achieving this goal is necessary and probably unavoidable with no way signifying that the form of state intervention will or is to remain unvarying.

Housing is linked to serious socio-political issues like citizenship and social justice but probably need a political science approach. Political science may also shed a light on socio-political dilemmas, power games, opportunism and path-dependence clarifying why proper housing programmes are not implemented through policy-making (Bengtsson, 2009b). Societal and political ideologies indeed influence housing mentalities without however determining them. In other words societal aspiration regarding housing is neither the beginning nor the end of the housing provision and tenure system but rather a link on a chain fed by policy (state), market potential and society reaction, and subject as a whole to international pressures and trends. Different chain link are constantly interacting leading to dynamic configurations changing with time but also liable to path-dependency. Therefore, ideologies linked also to idiosyncratic elements cannot be argued to be stable in time or space. For example owning a house either as investment or for self-use may become a strong societal goal also affecting geopolitically neighbouring countries and regions. This by no means signify that either aspect (capital or service) will be – equally or even at all – profitable on all countries. Moreover, the path to acquisition will be passing from different systems and will have varied outcomes on every affected sector (income, consumption, welfare etc.). Lastly, this trend should not be expected to remain the same from an era to another. What seem prevalent over time are citizens' needs to be sufficiently protected by the welfare state and have the accommodation aspect of housing ensured either within or

outside the welfare state. Modes, levels, means and other elements of the sort can be fluctuating over time and space as long as welfare provision and housing remain within certain societal tolerance regarding quality and security.

Institutional Change and Corporatism in 'Weak States'

On institutional change, the 'weak state' will have serious issues kick-starting institutional reform without strong pressures either from a supra-national or an internal-national level. Debates on institutional reform structured on 'novel' ideas and perception may build-up and become central in political life but on a practical implementation level an extremely strong push may be needed to overcome the rooted institutional inertia. Reforms and attempts to rationalize institutions will often be examined in isolation disregarding intra-institutional correlation, interaction and equilibrium. Such attempts will face coordinated and persistent opposition especially if they go against the specific society's accepted norms.

Institutional inertia will be related and linked to path-dependency deadlocks, high returns to socio-political elite actors and 'common perceptions' about what is acceptable and norm⁵. From an IC aspect however there will be a notable gap that may constitute an opportunity for a well-timed combined attack on systemic malaises. Some institutional complementarities may be present in a regional or sectoral level but in a way further highlighting national socio-economic inequalities as they will not be based on a social justice and equity logic but rather on a clientelistic/nepotism one. From a Varieties of Residential Capitalism approach, characteristics of 'weak states' like clientelism, partisan politics, statelessness, immature market, lack of political will, and underground economy - usually labelled as 'idiosyncratic' - are considered as distinctive institutional structures. Thus, they are examined regarding their complementarity, incoherence and incompatibility. This dynamic perspective offers a better chance to locate reform opportunities through incremental institutional refinement, also considering temporal and spatial variations.

Covert institutional interactions and configurations can be expected to follow different paths compared to overt ones. Due to the way the system evolved throughout the years in Bulgaria and Greece, housing can be mostly deemed the result of covert – or at least not fully overt – institutional interfaces. In the absence of structured and consistent housing

⁵ E.g. clientelistic and/or corruption practices

policy, a large number of institutional actors came into play. Local planning authorities, welfare departments, constructors, bankers, realtors, the family etc. were forced to serve housing needs at all costs. At the same time they were *de facto* allowed to interact within a framework of loose official monitoring. For example the construction of housing involved an overt institutional interaction between the contractor, the client and the planning authorities, to say the least. At the same time it involved covert institutional interactions regarding the sourcing of money. This may be the consequence of covert institutional functioning in different sectors i.e. undeclared employment, permissive bank lending etc. one of the main issues of covert institutional interfaces is their unpredictability and lack of assessment. Admittedly this informality allowed for a circumstantial flexibility which indeed delivered some solutions, albeit in a fragmented fashion. However, the ability to externally affect and try optimizing such covert interfaces became and still is practically impossible, posing a real challenge policy-wise. Institutional inertia and even path-dependency in 'weak states' are heavily linked to political unwillingness or failure in incentivizing the transformation of covert institutions and their configurations to overt ones.

Heavily dependent on institutional structuring, Corporatism is tied to institutional changes related to ideas, path-dependency, clash of interests and power etc. Another interesting outcome is that corporatism can serve specific needs like housing policy and respective bargaining, even if it is not on a national level, it can be debated on its sub-national and/or supranational level. Of course this requires a relevant successful adaptation process. According to Corporatism theory, the state retains its central role in all aspects including housing, but always interacting with interested parties. Even in cases where the state withdraws, this may be a targeted act in order to ensure its legitimacy and stability while preserving its power. Moreover, housing can be included in wider Corporatist bargaining as a counterweight to compromises in other policy areas. Within this framework various housing-related actors may negotiate better terms and solutions to housing issues. Corporatism supports the incremental institutional change as optimal in systems of underdeveloped or fragmented corporatist systems. While small countries have better chances in establishing well-functioning Corporatist structures, extreme state interventionism will deter its development.

2.12 Closing Remarks

Several theoretical issues become evident through the combined analysis of the literature review in this chapter, which relate to this research and have to be considered. Housing topics are undeniably complex, requiring special attention and diligence regarding the adopted approach. This is one of the main reasons why housing theories do not always explain or translate to realities and almost never perfectly. Housing outcomes are often used to draw elements which form theories. A pitfall here is that such theorization may very well be valid for a specific set of countries and timeframe (e.g. certain socio-political era). However, if the countries used are academically attractive for whatever reason, extracted theories soon become staple theoretical frameworks applied to less examined countries. Milestone theories like those reviewed in this chapter shine when used as a benchmark against which country-cases can be examined. This has a twofold advantage. On the one hand varying theoretical colourings are revealed or refined, regarding specific housing system characteristics and operation. On other hand, whatever tools proposed by such theories can be tested and improved, so they gain validity in future research. For example, housing indicators may be used in different country-cases considering contextual socio-political and financial when examined and interpreted. Homeownership rates are perhaps the most striking example of this.

What is clear is the lack of *comparative* literature between Bulgaria and Greece. It is true that country-to-country comparisons are not particularly attractive in housing studies, and especially when belonging to different groupings. Even more when whole housing systems are examined, rather than specific aspects like e.g. the performance of rental sectors. Without doubt, inclusion of numerous cases makes easier to form clusters and therefore suggest towards some kind of typology. This research refrains from presuming and attaching to typologies and classifications, but in no case disregarding or underestimating the useful lessons they may carry. Not aiming to prove, modify any kind of typology, or create a new one, allows the country-specific housing system colourings to be preserved, and not smoothened out pursuing generalization. The reader will recognize that point-to-point comparison goes *beyond* locating similarities and differences, to decoding and understanding the underlying mechanisms. While most studies recognize that institutions do matter and affect housing systems, they are usually exhausted in describing rather than seeking to analyze and explain underpinning processes.

Another literature issue relates to the non-holistic research approach. This is reflected on the lack of hands-on sociological housing research in the two countries. As the reader will notice, in Chapter 5 there is some significant body of literature regarding each country as the product of a limited - albeit diligent - group of academics. However, this is mostly based on theorization extracted and therefore dependent on the description or at best interpretation of the housing systems historical evolution. *Hands-on* research on contemporary state of sociological housing trends is not the norm in these countries, and housing studies typically remain attached to quantitative data. Downplaying current sociological trends does not allow expanding the discussion to wider and deeper issues of systemic (re)structuring. Both Bulgaria and Greece are experiencing a systemic shock that quickly affected their housing system and is still testing it. Consequently, analyses focused on housing economics and financing has risen during the GFC era, which was to be expected. This was also due to an overall increasing interest on 'weak states' and their economies. While financial factors are indeed important to housing, are not the only ones to consider and often not dominant. This research adopts a *holistic* multi-approach allowing for a balanced consideration of social, political, architectural and financial factors. Furthermore, contemporary comparative housing studies have to go outside the 'confines' of traditional country groupings to assess the impact of international forces on national housing systems. The GFC did not affect every country and consequently its housing system in the same way or at the same level. However, it revealed and certainly gave numerous reasons to analyze the nature of underpinning mechanics and their functioning. Albeit variably, but always positioned in relation to the state-market-family triangle, housing is subject to a multitude of forces which never function independently. Keeping this in mind, the next chapter expands and analyzes in-depth homeownership issues as central to housing theory and the cases examined in detail for this research.

Chapter 3 - Homeownership: One term, multiple readings

3.1 Introduction: homeownership expanded

This chapter is exclusively dedicated to literature related to homeownership. This is mostly due to the importance of homeownership for the country cases examined in the thesis. It basically relates to the need for a clear understanding of the various and complex aspects and identities of homeownership, along with their far-reaching implications like the effect on Social Contracts. The latter is especially relevant to Bulgaria and Greece which are in most housing studies implicitly or explicitly defined, grouped and characterized according to their owner-occupation rates. Homeownership seems imperative in understanding welfare and housing systems especially in countries with insignificant or inexistent social (rental) housing sector and strong familialist structures. Whatever the system assessed, tenure is key to comparative housing research (Stephens, 2011).

Homeownership seems to be one of the central issues in the new-age welfare modernity and relevant 'Social Pacts' affecting socio-political outcomes and social relations - with their various meanings over time and space (Bengtsson, 2009a; Stephens, 2011). While homeownership has slowly dominated the European housing scene (e.g. Boelhouwer *et al.* 2005) - even in countries where it has not been overarching historically - its causes, outcomes and historical paths, encompassing welfare and housing systems strongly vary between and within country groups. This has a lot to do with housing having a 'double identity' both as consumption good and an investment. Doling & Elsinga (2013) refer to Europe as a '*Union of Homeowners*' (p.7), acknowledging variations in rates and definitions across countries and different eras. However its nature is also subject to transformations. Ronald *et al.* (2015) for example highlight a shift away from broadly-distributed property-ownership as socioeconomic shock-absorber, towards an increasing property-based profit-seeking in the UK. Overall, the 'social' character of homeownership seems to have been prevalent mostly pre-1990. This has been verified for countries like Ireland (DeWilde, 2015a), Greece (Maloutas, 2008), or even whole systems like the post-socialist countries (Lux & Sunega, 2014).

In the modern era homeownership is often carrier of social inequalities from one generation to another (Elsinga & Hoekstra, 2015; Stephens *et al.* 2015a), discriminating between 'insiders' and 'outsiders' of the system. Accessing homeownership has become increasingly less affordable for new entrants leading to an over-dependence on family resources (*ibid.*). Different modes of accessing homeownership bear different weighting on affordability. DeWilde (2015a) concludes that access to outright homeownership is central in accessing affordable housing, which is however not necessarily appropriate. For some systems like in southern Europe, accessing housing means accessing homeownership (e.g. Maloutas, 2008) regardless of the existing rental sector. Despite growing concerns regarding 'rational' evaluation of homeownership advantages over renting, socio-political trends seem to more or less favour the former. Regardless of financial downsides, Lux & Sunega (2014) argue that from societal perspective homeownership might be the rational choice. Covering psychological needs and offering certainty in a world in flux, homeownership preference will persist. Furthermore, the ontological weighting of homeownership on an individual and micro-family level has started gaining increasing research interest (Easthope *et al.* 2015).

Overall, homeownership in contemporary times seems mostly boosted due its social momentum, and usually compared to unattractive or even problematic rental sectors, rather than its financial and welfare attractiveness. Doling & Elsinga (2013) for example note that renting-related policies affect homeownership more than policies seeking to reinforce the latter. Various studies discuss the financial risks related to homeownership, either relate to mortgage-loans or outright homeownership. Regarding housing welfare, homeownership seems to be contextually used as one of the excuses for the retrenchment of state-supported provision. Boelhouwer *et al.* (2005) argue that if homeownership-related state-expenditure is included in calculations, a different reading on welfare state comparison may prove to be the case. 'Underdeveloped' welfare states may be actually on par with western systems. Policies favouring the growth or protection of homeownership have proved to offer better political benefits (Boelhouwer *et al.* 2005) or help avoid political costs. Regarding homeownership and civic participation, there is no clear proof of correlation between stronger political participation of homeowners compared to tenants (e.g. Bloze & Skak, 2015 for Denmark). Directly or indirectly protecting homeownership constitutes in many systems a tacit term of the Social Contract, which is central in ensuring civic normality.

Any analysis should take into consideration that observed patterns vary between countries in their intensity and mode, while some may not even be equally valid. Even when patterns are valid, their difference in structure and formation paths, will render comparison precarious without proper processing. For example, Stephens *et al.* (2015b) highlight that outright homeownership is not the same when resulting from post-1990 privatizations and when stemming from familialist mechanisms.

3.2 Analyzing meanings

In a significant number of studies, homeownership tenure has been focused as a welfare provision vehicle in different national or group contexts (Allen, 2006; Ronald, 2007; Malpass, 2008; Van Gent, 2010). As analyzed earlier, housing has a double identity both as an investment good (dwelling) and as a service (accommodation). This characteristic along with the rise of homeownership rates in many countries, some of which had a prevailing rented sector, and in some cases accompanied by state provision retrenchment, has drawn the interest of researchers (ind. Ronald, 2007). Additional importance is attributed considering the fact the currently, rising and mass homeownership seems to be the single common development element one can get in an otherwise varied housing policy and outcomes international context (Fahey & Norris, 2011). In other systems and countries homeownership was dominant anyway and therefore a central to analyzing them. In any way, tenure appears to be key in comparative housing research (Kemeny, 2005; Stephens, 2011). Especially regarding the capital aspect of housing, it should be examined within the state-market bi-pole, while the service aspect should be assessed positioned within the state-market-household triangle (Fahey & Norris, 2011).

As a *policy* tool, boosting or safeguarding homeownership can be used as countermeasure-lever to welfare provision restructuring and reform (Malpass, 2008; Van Gent, 2010; Stephens & Van Steen, 2011;) while ensuring socio-political stability (Malpass, 2008; Fahey & Norris, 2011) as public spending on welfare is being reduced (Malpass, 2004/2008; Fahey & Norris, 2011; McKee, 2012) consequently reshaping the state-market-household triangle balances (Van Gent, 2010). From a *Market* perspective, homeownership may function as a means to investment and wealth accumulation (Fahey & Norris, 2011), older age housing-cost reduction (Kemeny, 2005; Stephens & Van Steen, 2011) while

ensuring a minimum standard of living for the elderly (Doling & Horsewood, 2005; Van Gent, 2010; McKee, 2012). Housing is often the basis of asset-based welfare system based on market and not on the state (Van Gent, 2010).

Homeownership is central in *household* strategies as a means to ensure self-provision of housing welfare. This regards housing as accommodation service for the family, especially in systems where the state has withdrawn from housing welfare provision, and market seems insufficient to exclusively make up for it (Stephens *et al.* 2010; Fahey & Norris, 2011; McKee, 2012). Homeownership in many national contexts functions as a kind of social security (Fahey & Norris, 2011), often being the 'container' of other welfare services provision like child-care, home-based health care for the elderly, homeschooling etc. McKee (2012) argued that along with other influencing factors, homeownership-seeking 'bounds' young people to parental homes 'delaying' their independency eventually leading to frustration. Norris & Domanski (2009) underline that extreme or sole reliance on family-based homeownership provision leads to poor housing outcomes, and financial overburden of Households. In *sociological* civic terms homeownership is the badge of 'good' and 'successful' citizenship (Van Gent, 2010; McKee, 2012), and perhaps an answer to increasing capitalist housing consumerism (Malpass, 2008). Also, in systems where the rental sector is stigmatized by societal perceptions and related to on property misuse, homeownership will most likely be boosted as a better alternative (Fahey & Norris, 2011).

Some of these functions may coexist in the same system. For example, homeownership can be the key asset to asset-based familialist welfare self-provision (Ronald, 2007; Ronald & Doling, 2010). Moreover, those existing in one system may not exist at all in another. Thus, each system has its own identity regarding the functions homeownership perform. In any case, the service function (accommodation) can be said to constitute a basic element in every system. Roland (2007) argues on the expected variety in homeownership types and effects due to varied contexts as a result of unique historical housing paths, systems and configurations, socio-political cultures and ideologies. Thus, a universal homeownership model is unrealistic. Stephens (2011) observes differentiation in home owner-occupation not only in space (cross-country) but also in time (within the same country and/or system grouping).

Searching the exact nature of the housing and welfare links has been a long-lasting central topic of housing studies. Within this challenging, complex and inter-disciplinary context, homeownership draws extensive attention, and especially regarding its connection with the welfare self-provision. This focus is true on a worldwide scale and even more pronounced in housing systems with traditionally significant social housing sectors and respective policies.

3.3 Homeownership promotion and provision

Promotion and provision of housing in the form of homeownership takes place within and depends on the state-market-household/family triangle and how the three poles interact. Of course the weight can fall on two or even one of the poles creating polarization (family or market). Thus, state-family, state-market, market-family or single-pole promotion and provision may exist – at least on a theoretical level. Depending on the impact of the triangle poles and different housing system configurations, housing provision will be closer to the family or market poles. Usually state will have some role - even a minimum one - while full state responsibility for homeownership in modern era is deemed unrealistic as it will suggest building and/or giving away housing for free. State's involvement comes in different direct (spending) or indirect (regulatory, managing, tax-related) modes directly targeting housing or collateral affecting factors like income or other welfare sectors in order to allow more household spending on housing. Additionally market may be incentivized to maintain sufficient homeownership-related credit flow through state-backed guarantees (Fahey & Norris, 2011).

Family-driven homeownership is achieved through forms of self-provision or even self-build utilizing the extended familial network resources siphoned to asset-acquisition. Inheritance is another way for new families to become Homeowners or even parental donation-grant, though the latter almost always implies some welfare service trade for those giving their home (parents), like elderly in-house health-care. In some systems like in Southeastern Europe, family is – almost exclusively – overburdened with homeownership self-provision; a responsibility related to numerous social and financial issues. While the household economy is crucial to the family-state-market triangle (Fahey & Norris, 2011) any system relying on a single pole is bound to sub-par housing outcomes. In any case

bipolar scheme including the family and another pole is likely to produce poor housing regarding quality and affordability (Norris & Domanski, 2009).

Promotion of homeownership may not be about a retreat of the welfare state but as an active and conscious policy turn towards a tenure which seemingly offers accommodation detached from market volatility and insecurity. More or less targeted policies – even not exclusively on housing – affect peripheral variables like heating cost allowances, property taxation etc. Having an impact on housing systems and homeownership, reinforcing such a point of view. Of course another reading would be the governments trying to drastically reduce expenditure and pass on the risk to homeowners (Fahey & Norris, 2011). In no case are these two explanations excluding one another. It is very well possible for some governments to ‘benefit’ from cost reduction and risk transfer while actively promote an indirect policy state interventionism with reduced collateral expenditure which will cover multiple sectors and needs and therefore will be less expensive on the overall budget. Such a combination is possible due to the multi-function of housing allowing for the fulfilment of personal aspirations. Citizens are burdened with the relevant risks but their personal/family goals are promised to be satisfied. In some countries state mechanism idleness and a more or less voluntary absence from housing provision can be seen or at least rhetorically argued as an ‘active’ behaviour allowing for families to go on with self-provision in an unobstructed manner. Such an alternative (tacit) ‘Social Contract’ – if one supposes that people actually opt for carrying housing and other welfare risks instead of sufficient welfare state provision – requires various kinds of ‘cohesive’ socio-political forces like shadow/underground economy, rent seeking and clientelism.

3.4 Homeownership-based Welfare

Owning a dwelling is basic in asset-based welfare, although it may not be restricted to single assets, or solely to residential property. The link between homeownership and welfare is possible due to residential assets having the potential to cover both accommodation and investment needs. As a *service*, owned housing is intended for personal or family use throughout life. Financial acquisition burdens overload early stages of life, becoming lower as the owner ages and the mortgage debt is gradually being repaid, reaching low housing cost at older ages. Even when acquiring housing through mortgage

loan is seen as an investment, it is to be enjoyed rather than sold. The *investment* aspect of housing is about selling a debt-free asset releasing enclosed equity, either for accessing welfare through the market, or any other significant reason (*comb. Lit.* Kemeny, 2005; Malpass, 2008; Doling & Roland, 2010; Van Gent, 2010; Stephens & Van Steen, 2011; McKee, 2012). Self-provision of welfare services through the use of owned assets, is a key theory of modern housing studies. Housing assets have become the topic of discussing regarding their capacity to support older age welfare needs by unlocking their enclosed equity. During the last decades, the gradually increasing – albeit contextual – withdrawal of various welfare states, further boosted the debate. ‘Asset-based welfare’ and ‘welfare trade-off’ theories endure as one main doctrine analyzed and used in attempting to establish a solid connection between owner-occupancy and welfare self-provision. Such theories appear having limited theoretical and empirical value in housing systems historically characterized by high homeownership rates and meagre social housing sectors. Southern and Southeastern European regions are typical cases of such a reality.

The overall asset-based welfare concept is based on the assumption that owned housing assets dispose enclosed equity which can be released and used for welfare needs within weakening welfare states (Kemeny, 2005; Malpass, 2008; Stephens & Van Steen, 2011; Ronald *et al.*, 2015). Starting from the Anglo-Saxon systems this is being expansively discussed for a number of countries (also Malpass, 2008; Ronald & Doling, 2010). Discussion normally concerned complementing insufficient pension schemes, also because mortgaged homeownership becomes debt-free and thus sellable at an older age (Stamso, 2009; Delfani *et al.*, 2014). The asset-based welfare is almost always referring to housing-based welfare, as owner-occupied houses are the dominant asset involved (Elsinga & Hoekstra, 2015). While initially focusing on covering pension welfare needs, discussion gradually expanded on wider welfare service provision (Delfani *et al.* 2014).

Almost for a decade pre-crisis housing prices boomed fuelling the discussion to unprecedented levels, as equity enclosed in housing assets was considered easily liquefiable (Ronald *et al.*, 2015). While housing prices along with housing investment perspectives have been destabilized since the global financial crisis, persistent pressure on welfare states has sustained the research on housing assets potential as a main, alternative or complementary welfare financial resource. Ronald *et al.* (2015) claim that it was this pursuit of asset-based welfare responsible for the eventual housing value bust during the

GFC (also Ronald & Doling, 2012). Focusing on Hungary, Hegedus & Szemzo (2015) noted that housing always had its role as a savings' back-up scheme and a reserve – including secondary houses, which has not been significantly affected by the GFC.

Stephens *et al.* (2015a) noted that asset-based welfare seeking helps moving towards an individualization of social security risks (also Elsinga & Hoekstra, 2015) and over-exposure of households, rather than some kind of viable alternative to social security. Overall, asset-based welfare theory is mainly related to neo-liberal approaches and shrinking or limited social rental sectors (Elsinga & Hoekstra, 2015). Homeownership-based welfare is expected to accommodate rise of privatist paths where bulk property rights concentrate on few landlords, instead of Collectivist ones allowing for wealth redistribution (Fahey & Norris, 2011). Moreover, intergenerational conflict may rise between asset-rich elderly and younger people having restricted or no access to homeownership (McKee, 2012). Being socially and financially risky, homeownership-based welfare is deemed weak on its capacity as substitute of state welfare, or even a 'safety net' (Elsinga & Hoekstra, 2015; Stephens *et al.* 2015a). Despite attention raised by researchers, homeownership-based welfare is deemed to have functioned – at least partially – as an 'excuse' for various welfare states' retrenchment and public spending cuts (Schwartz & Seabrooke, 2008; McKee, 2012; Ronald *at al.*, 2015). Overall, homeownership has been positioned as central in welfare state restructuring and reform (Malpass, 2008; Van Gent, 2010; Stephens & Van Steen, 2011) while ensuring socio-political stability (Malpass, 2008; Fahey & Norris, 2011).

When discussing homeownership-based welfare, there is a number of key assumptions to be considered:

- Homeowners will be willing to trade-down for a smaller or older dwellings
- Owned housing assets can be easily and promptly liquidated
- Housing assets hold significant equity making such an action reasonable and not a waste of precious and often irreplaceable resources
- Poorer population can accumulate assets and improve their standing
- People have the necessary knowledge to function within such a mechanism (low-risk)

Undoubtedly, the aforementioned assumptions directly raise some concerns. *Firstly*, people may be resistant or even unwilling to sell, remortgage, over-mortgage or trade-down their

house (Malpass, 2008), for psychological and cultural reasons. *Secondly*, practical hindrances like housing market stagnation and negative equity may render such a use inapplicable (Malpass, 2008; Roland, 2007). *Thirdly*, asset-embedded equity is not ensured and probably insufficient as old-age welfare. Thus, it can at best be complementary to pension schemes. *Fourthly*, homeownership may reflect and enhance inequalities generated elsewhere even passing them to next generations (Malpass, 2004/2008; Van Gent, 2010; Stephens & Van Steen, 2011). *Lastly*, Fahey & Norris (2011) underlined the fact that underused - larger than needed primary or secondary - dwellings lead to capital profit loss, most intense in systems where external pressures like taxation had been weak. This is directly linked to poor asset management skills required for an effective asset-based welfare system.

Even if achievable, sole reliance on homeownership-based welfare in absence of other 'safety net' severely exposes people to housing market risks (Malpass, 2008; Roland, 2007) and especially in times of financial crisis (Ronald & Doling, 2010). Owners often become 'entrapped' due to a combination of negative equity, extended mortgage debt and potential employment or income hardship (Malpass, 2008). Fahey & Norris (2011) underline the long period of time between acquisition and debt-repayment needed to render the owned asset economically efficient due to housing expenses drop. Malpass (2008) argues that asset-embedded equity is limited to old-age, but not ensured until then and will probably prove insufficient. Therefore, it cannot be more than a complement to traditional welfare services system, like pension schemes. Using enclosed equity will possibly lead to resource exhaustion, depriving next generations' access to homeownership (McKee, 2012). This is especially problematic in systems where the rental sector is underdeveloped and/or marginal.

Focusing on the connection between housing and pension schemes, Delfani *et al.* (2014) classified following three types of risk-pooling: '*Precommodified family-based*' risk-pooling mainly regarding access to outright homeownership to at least partially cover welfare needs. Here, housing is not considered an investment although it may be sold and bought through the market. '*Commodified Market-based*' where access to homeownership is linked to early-age mortgage debt. Financial risks are higher for lower incomes and debt-free ownership comes later in life. '*Decommodified State-Corporatist*' when regulation of homeownership and rental sector limit exposure to market risks. Rental sector is significant

and viable alternative to a risk-related homeownership. They concluded that basis for debate on asset-based welfare is valid only in commodified systems.

According to Doling & Elsinga (2013) asset-based welfare seems to require conscious planning and decision towards such an end. Acquiring more housing assets, does not automatically prove the validity of such investment perspective, as it may be destined to other family or individual aspirations. Focusing on the UK, Ronald *et al.* 2015 noted that asset-based equity even when released is most likely to cover other needs instead of welfare. Inversely considered, liquidation of housing assets - even secondary - to cover welfare needs due to financial hardship or state welfare weakening, would not qualify for such self-welfare strategy.

Asset-enclosed equity is crucial in understanding the financial weight of homeownership in household budgets and housing strategies. Having an accurate estimate of housing wealth is important for many reasons. For example, and regardless of any theoretical debate, asset-based welfare is very much reliant on the actual value of owned home. From a welfare perspective, market value levels of housing assets define real opportunities and limitations. For example, income in-kind stemming from owned housing might be considered as quasi-pension, even though it may be hard to calculate (Doling & Elsinga, 2013). Releasing enclosed equity seems to be a whole different issue, and should not be taken as granted, independently of housing wealth levels. Stephens *et al.* (2015a) note that equity release may be hindered due to social aspirations (bequest, inheritance etc.) and/or purely financial incentives like low housing costs, sufficient pension levels. Various analyses on different contexts ended in similar results (ind. Elsinga & Hoekstra, 2015). In southern European countries for example, despite high homeownership rates releasing equity is pretty challenging (Stamso, 2009), despite it being more than twice their GDP (Doling & Elsinga, 2013). Financial markets standing strongly affect equity release (Boelhouwer *et al.* 2005; Stamso, 2009), but not unbound to socio aspirations and deep-seated societal norms.

3.5 Negotiating 'Trade-Offs'

Kemeny studied the relationship between homeownership (tenure) and welfare states finding a 'negative correlation' between the two. Castles tested Kemeny thesis in 1998 concluding it to have some validity, and naming it 'the big trade-off' between homeownership and public welfare. Kemeny later refined his thesis while recognizing some of its limitations (2001; 2005). The basic idea behind the 'trade-off' thesis is that in society with high rates of homeownership there will be an inverse effect on the welfare state development resulting in the reduction of the latter. Perhaps the most important reason is the households being overburdened with housing expenses at an early stage of life where their income and savings are still weak, leading them to a resistant stance against taxation increase necessary to fuel the welfare state provisions. So, in his reviewed trade-off thesis Kemeny moves from a one-way homeownership to welfare state influence to a two-way one. Now not only homeownership mentality affects the welfare state but also changes in the latter will affect the former. The basic principles of the Kemeny (2001; 2005) 'trade-off' theory are as follows.

Firstly, reacting to a weakened or shrinking welfare state people will attempt hedging against old-age precarity through various means, including homeownership, thus boosting it further. Lifetime savings channelled into mortgage repayment will build-up equity, available at a later life phase to be used for welfare self-provision either through selling (trade-down) or remortgaging the asset. Especially for pension schemes, as they become weaker homeownership will keep rising. However, homeownership is not the only financial vehicle that can be used towards this end, but is a reliable depository nevertheless. Moreover, this mechanism allows for a radical housing cost drop after the debt is repaid. Kemeny sees this pension-reduction homeownership-rise link even on integrated rental market systems.

Secondly, consequent generations will build distrust towards the welfare state, seeking homeownership as soon as possible, and resisting to taxation increase which could seriously delay entering homeownership status. At younger ages people often deem health-insurance of lower priority compared to family housing. In parallel, older outright homeowners will keep resisting taxation, wanting to minimize housing expenses after years of indebtedness. On a *sociocultural* level, high homeownership and taxation-for-welfare

resistance will eventually lead to an individualist mentality, away from Universalist welfare provision and supporting taxation. The impact will be evident not only in housing system, but also in urban forms, family structures and everyday transactions. Eventually, there will be a dichotomy between homeownership and rental-tenure societies (also, Van Gent, 2010). Somehow inversely, Politicians may opt to hold back or cut generous pension schemes given homeownership-related financial potential for the elderly.

Linking the ‘trade-off’ thesis with his dualist rental market typology, Kemeny (2001) supports that in Dualist rental market systems homeownership rates tend to be higher or increase. This is mainly due to a residual social rental market allowing access only to those most deprived and a private rental market where unsecured tenure and high rents do not make it competitive compared with homeownership expenses. While large social rented sectors have been linked to Universalist welfare systems and high homeownership systems to Liberal welfare states, rise in homeownership rates in many countries questions the clarity of such a connection.

The ‘trade-off’ thesis has received some serious criticism on its points during the years. *Firstly*, despite rising homeownership rates in various housing systems, a tenure-welfare causality seems hard to sustain (Malpass, 2008; Van Gent, 2010). Causality link issues were acknowledged by Kemeny, but overlooked for the sake of establishing a relationship. Socio-cultural factors have been overemphasized over neglected historical, political and financial ones, regarding housing provision (*ibid*). On the one hand, rise in homeownership may also be the result of lacking investment alternatives, or a housing market’s comparatively more profitable dynamics (Doling & Horsewood, 2005). On the other hand, homeownership’s efficiency compared to renting is debatable being affected by various factors (Van Gent, 2010; Soaita & Searle, 2015). ‘Trade-off’ theory presumes older people will deterministically seek to asset-based welfare to compensate weak pension schemes, ignoring alternatives like delayed retirement (Doling & Horsewood, 2005). *Secondly*, It is rather extreme to support that all these different countries and systems converge to Liberal welfare state system solely based on homeownership. This is even more the case when including those countries where homeownership has been historically dominant (Van Gent, 2010). Homeownership systemic convergence may be as well the effect of globalization forces in housing trends (Malpass, 2008). *Lastly*, despite resistance to taxation expansion, it is somehow farfetched to assume voters will easily conform to welfare cuts, as such cases

have given significant proof of disapproval. Incremental systemic reform is more probable than radical changes, mainly due to related political cost (Van Gent, 2010). Malpass (2008) commented that despite its significance, it is hard to accept housing alone has such a strong social and welfare impact. Kemeny (2001) also underlined that it should not be assumed that people necessarily disregard the welfare state due to homeownership. *Lastly*, the theory's generalization tendency (despite some limited application in Dualist and Unitary systems) and lack of updated data analysis, opened some discussion about its overall validity (Doling & Horsewood, 2005). Contemporary housing realities need to be approached by multi-factor analyses (*ibid.*, Malpass, 2008).

Overall searching for some consistent 'trade-off' pattern between countries is very likely to bear no fruit (Delfani *et al.* 2014). For example, Stamso (2009) notes that the 'trade-off' link between homeownership and pensions which may be debated in some countries, is not valid in Southern Europe. He relates that to the dominant role of the family in housing provision, and the problematic equity release in such underdeveloped housing markets. Delfani *et al.* (2014) argue that despite a negative correlation between homeownership rates and pension spending, in systems where homeownership is dominantly accessed through familialist strategies, there can be no 'trade-off' basis. Family-sourced homeownership is a reaction to insufficient housing policies and therefore 'forced' as the only viable solution. With not viable freedom of choice housing cannot be considered tradable for welfare, but rather family tries to cover such needs. They also attributed this to the consequent '*intergenerational contract*' of inheritance (*ibid.*, p. 670). Doling & Elsinga (2013) underline that despite a possible correlation between pension levels and homeownership rates in some systems, it should not be determined as causation. They also noted that despite what Jim Kemeny's theory suggests, not all Social-democratic countries have low homeownership rates.

Taking criticism into consideration, the 'trade-off' theory may be able to provide *some* answers and explanation of *some* systems in *specific* times. Therefore, caution and probing are needed when assessing homeownership in relation to welfare state issues and before applying the 'trade-off' thesis. Pre-crisis, Stamso (2009) observed a link between drop in public welfare spending and higher homeownership rates; however this did not always seem to be the case. For example, Southern European extended homeownership had not been historically accompanied by weak pension schemes.

3.6 Defining ‘Social Homeownership’

Regardless of tenure structure, access to homeownership has been directly or indirectly promoted by state mechanisms in various countries and in varying ways. In cases where systemic protection and promoted access to homeownership have either consciously or *de facto* functioned as a means to cover housing needs for the wider population, this can be regarded as *quasi* social housing policy. To better describe this phenomenon and avoid confusion with public housing policies, I employ the term ‘Social Homeownership’. In terms of housing policy it could be defined as the complex of measures and policies aiming at covering housing needs by promoting homeownership. Even though this phenomenon can now be deemed as belonging mostly to the past, its repercussions in social and policy terms are indeed present. Setting the structural framework and analyzing the defining characteristics and parameters of the phenomenon helps understand its underlying mechanisms and institutional constructs. The present section is dedicated to this scope.

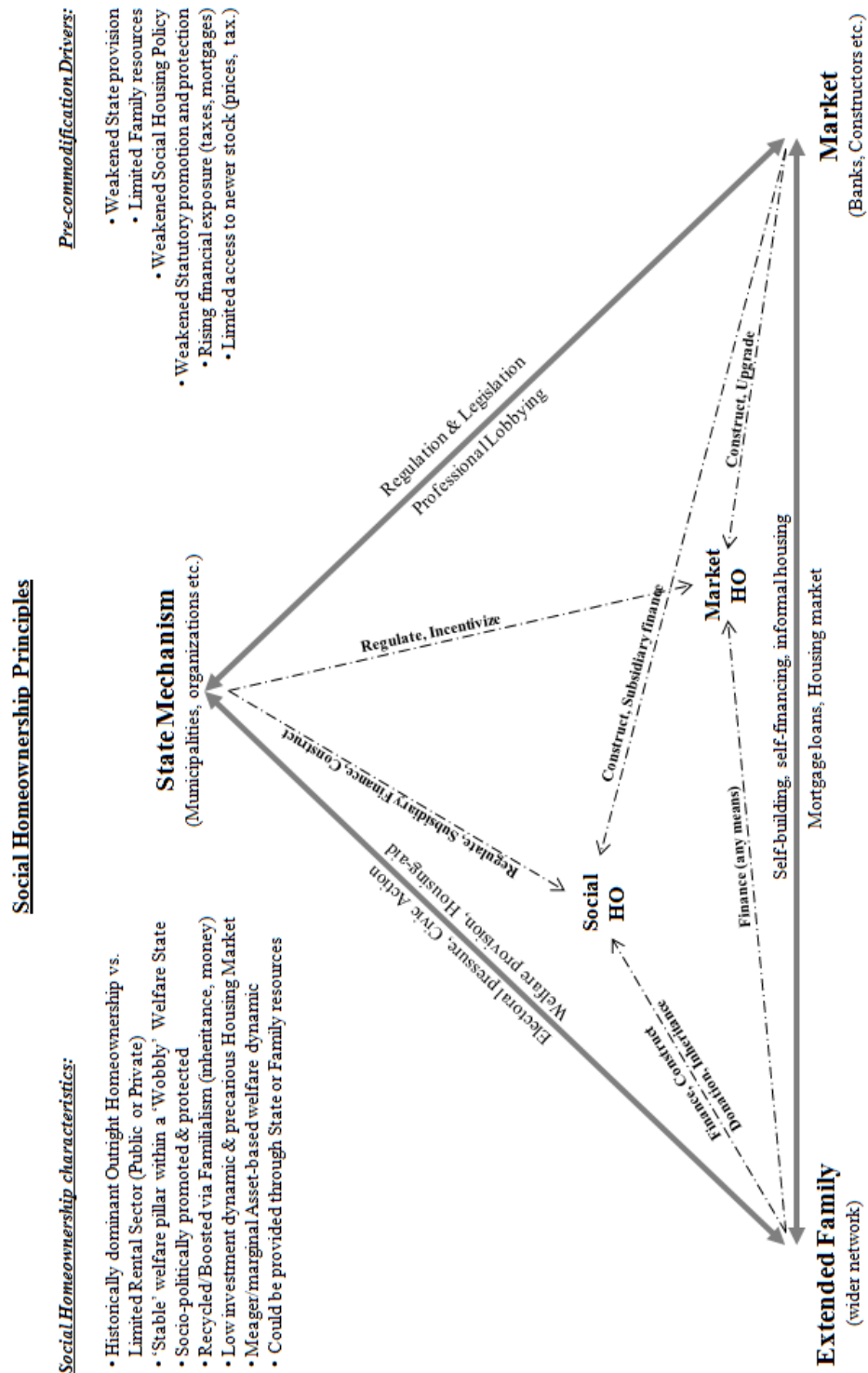
Ronald *et al.* (2015) underline the change of identity in homeownership from a socioeconomic shock absorber for large parts of the population to an extremely privatist neo-liberal means to over-profit. Focusing on Southern and Southeastern European housing systems, Stephens *et al.* (2015b) highlighted the contextual use of outright homeownership as a social protection against income and employment precarity during the years. Households’ low mortgage and housing mortgage loan indebtedness allowed for a de-commodification of housing in terms of separating from income levels and stability. The primary and dominant element of ‘social homeownership’ is the low commodification of housing as its characteristic as a social good before anything else.

From a temporal perspective, ‘social homeownership’ will be characterized by historical dominance of outright owner-occupation over a limited and marginal rental sector. Historical presence and prevalence of high homeownership rates is the primary factor of ‘social homeownership’ system, without implying all systems are the same nevertheless. For example, systems may be differentiated according to the way homeownership status has been historically achieved. This can be the result of direct state-support on construction leading to a kind of *Statist Social Homeownership*, or bound to family self-promotion related to *Familialist Social Homeownership*. The former would be positioned in the left half of the triangle depicted in figure 3.1, but significantly closer to the state pole. The latter

would be very close to what is shown in the figure. However, this common element differentiates these systems from countries where homeownership has been boosted during the last decades as a result of privatizations and social housing reforms.

The 'social' aspect of homeownership will be further supported by persistent low levels of mortgage loan indebtedness. This characteristic is key factor and at the same time the outcome of a decommodified homeownership from older times. As mortgage indebtedness can be a vector of financial exposure (Delfani *et al.*, 2014) the opposite can be used as an indicator of decommodification, and eventually of social homeownership. DeWilde (2015a) noted the significant growth of mortgage debt in Spain and Portugal from 1995 to 2012, moving them away from their Mediterranean profile and closer to countries like Belgium and France with more traditional mortgage-based homeownership and medium-high state support for outright homeownership.

Also as a result of, but not only due to 'social homeownership' itself, systems will have underdeveloped private and social rental housing sectors. Extended long-lasting homeownership deprives a system of market incentives to develop a mature private rental market, mostly due to deeply-rooted homeownership societal mentalities. For those seeking access or to move within the housing market, homeownership will be the primary product offered. Admittedly, this does not imply rental sectors are inexistent or insignificant in such systems. Variation of rental sector percentages depends on the country examined. However, the rental sector will have marginal and certainly temporary character. In most cases concerns younger people on the move due to work or studies, or a small percentage of population unable to access homeownership. Due to dominant homeownership mentalities remaining within the rental sector will be related to some kind of social 'stigmatization' although this mode and intensity is system-dependent and varies according to historical eras. Following and simultaneously reinforcing such mentalities, official housing policies will tend to promote and protect homeownership status as much as possible often overlooking the rental sector, further reducing its attractiveness.



Note: shorter lines indicate stronger influence of the respective Pole (proximity)

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Figure 3.1 - Positioning 'social homeownership' within the State-Market-Family triangle

Likewise, the social rental housing sector will be rudimentary or even inexistent. During the years, acute housing needs are expected to have been largely solved through homeownership. This mostly regards hedging against social and accommodation risks of homelessness, with no much discussion on quality issues. Through familialist routes and especially inheritance and parental grants, younger families become homeowners. Older family assets were acquired in times where accessing homeownership was comparatively more favourable. Purchasing new assets mostly relies on the parents' financial capacity.

'Social homeownership' has a clear welfare and social-good identity. This is mainly the case regarding *primary residence*, although secondary houses are expected to enjoy some systemic protection against e.g. foreclosures. Despite this, the link between homeownership and welfare is fairly complex. On the one hand persistent high-rates of outright homeownership allow for a limited housing market development, and only in times where national macro-economic growth allows for upward movement of existing homeowners. Otherwise, retrenchment to existing family housing and extended cohabitation offer a certain hedging against homelessness, with all the respective social repercussions.

Homeownership-based welfare dynamics are especially weak due to the structure of 'social homeownership' systems. Liquidation of assets is often problematic both due to market inconsistencies and weakness, as well as societal perception on safeguarding owned assets. Housing assets are rarely destined to be sold as a means to access welfare services, and only in cases of *extreme* hardship or emergency. Due to underdeveloped housing and mortgage loan markets, selling housing assets is often related to equity loss, especially true for older houses. At best, owned assets will provide some amount of money to be partially used for purchasing a newer house.

'Social homeownership' should not be linked to any kind of welfare 'trade-off', at least not in a generalistic and deterministic manner. There is no evidence people settle for meagre welfare state based on homeownership, even if outright. Nevertheless, public demand for an extended welfare state where housing would have a central position, could be eased due to extended outright homeownership. Having covered the risk against homelessness, people would gradually accept state absence in housing provision and eventually policy. This of course, allowed governments to avoid altogether or minimize public expenditure on housing avoiding serious social upheaval. In this sense a housing welfare 'trade-off' could

be argued, albeit with caveats. Inversely analyzed, weak or precarious welfare state service provision within the years, outright 'social homeownership' had been boosted as means to avoid homelessness risk. This is especially true in countries where income and employment instability did not allow younger people to assume housing expanses, either mortgage-loans repayment or rent costs.

On a socio-political level the importance of 'social homeownership' renders it a basic 'term' of respective *Social Contracts*. Political legitimacy and social stability assume statutory homeownership status protection as a given. Housing may be the 'wobbly' or even absent pillar of the welfare state in these systems, but homeownership surely is structural element of socio-political stability. The *right* to homeownership is strong and directly related to *citizenship* status and identity. Whatever the mode of its establishment, 'social homeownership' is the outcome of *conscious* political pathways and decisions regarding housing policy. Even in cases of lacking or missing housing policy, this is due to certain policy orientations to allow or indirectly promote *laissez-faire* housing system evolution.

Using 'social homeownership' has a number of advantages when applied to certain housing systems. On the one hand, it considers historical evolutionary paths, allowing for a better positioning in any classification attempt. Through a different reading, milestone theories can be filtered and used, even regarding 'atypical' housing systems. On the other hand, taking into consideration housing co modifying reforms on a global scale post-2000, it can be easily argued that 'social homeownership' is key consideration in systems where it had been historically dominant, and are now in transition or transformation.

3.7 Towards a new Social Contract?

Based mainly on the 'trade-off' theory (Kemeny, 2005) between homeownership and extended welfare provision, there has been rhetoric – mostly political – of a post-modern lower need of people for a developed welfare state. This has been linked mainly to Homeowners/voters resisting extended taxation for welfare services development. Such an explanation is too simplistic as people actually resist public cuts apparently leading to an oxymoron. Malpass (2008), supports that this is no kind of a paradox but just a mis-analysis of the signals. Resisting tax increase due to high debt relating to homeownership is far

different to accepting state provision withdrawal concerning welfare services. Despite the rhetoric of people not needing so much or so good welfare provision, the real picture is not so clear. Regarding the citizens' stance towards welfare state support, in their recent study Roosma *et al.* (2014) distinguish two dimensions: beliefs of how the welfare state should work ('*Should*') and perceptions about its actual performance ('*Is*'). Through their analysis it has been shown that on an EU level people explicitly support a strong and extended welfare state being however extremely critical of its performance and efficiency, quality and benefits' levels issues. These dimensions differentiate from country to country according to unique institutional arrangements. Such a rhetoric is likely to cause societal upheaval especially regarding the promotion of a new type of 'Social Contract' where housing asset is key to welfare provision and risks are transferred from the state to the individual (Van Gent, 2010; McKee, 2012). Changing housing as a basic element of the 'Social Contract' cannot be based on unilateral state-led decisions. If citizens are not willing to review such a 'contract' serious opposition should be expected, regardless of tenure structure.

Through their analysis (Roosma *et al.*, 2014) the connection between citizens' beliefs, perceptions and welfare state evolution is of high importance. The general conclusion is that a negative perception of the outcomes will lead to pressures for welfare state improvement when there is remaining trust in the welfare institutions or the private welfare alternatives are out of reach for the average citizen's financial capacity. In cases of reduced trust in institutions people will tend to scorn the welfare state rolling back their support and eventually turning towards privatized benefits solutions if the value-for-money ratio is competitive and affordable. Inversely, trust in welfare state institutions will lead to an increased support from the citizens. Extended and prolonged negative perception of the welfare state will offend its legitimacy through direct (doubting performance) or indirect (overloading with excessive demands) means. Inversely, positive perception will either lead to a reinforced active support of the welfare state or generate a dislike due to financial overburden where the welfare services exceed the considered normal-good quality

This approach may help shed a light on cases where extensive demand for effective welfare state coexists parallel to tax evasion seeking. The deeply shaken trust in the state's institutions (including welfare) creates and concretizes a feeling of a 'lost cause' and 'money going down a bottomless barrel'. Nevertheless, this has hardly to do with the need

and desire for an effective welfare state. However in complicated cases-countries where there is a chasm between the citizens' desires and actual behaviours it may be useful to distinguish between ideological/needs-driven and survival-driven ones.

3.7.1 Housing Familialism

The effect of family networks in households' access to housing has been widely recognized, albeit with varying forms. Delfani *et al.* (2014) for example argued that family-based housing combined with dominant outright homeownership lead to *precommodified* housing which at least partially covers housing and welfare needs. While housing assets are sold and bought through the market, it is hardly seen as an investment. In such systems, family strategies more or less limit dependency on the market regarding access to housing (also Fahey & Norris, 2011; DeWilde, 2015a). In southern Europe where familialism is strong, the need for accessing housing-related mortgage loans has remained limited (Earley, 2004). Where housing provision is strongly dependent on family strategies, welfare policies supporting the family may indirectly affect the housing system (Stamso, 2009). Maloutas (2004) also noted the distortion and opacity in the market-state commodification degree, caused by family strategies regarding housing provision. While housing is kept within the family line and kept off the market, the rental sector may become marginalized (e.g. Mulder & Billari, 2010). Of course this will require historical persistence of such trends.

Family resources can be used as means to *access homeownership* through various mechanisms. Discussing on the UK, Ronald *et al.* (2015) noted the increased reliance on family support as a result of the global financial crisis, due to mortgage lending becoming less easy to obtain. Inversely considered, housing assets will become *a family matter* in countries where employment and overall financial precarity render it a kind of financial or welfare backup (e.g. Hegedus & Szemzo, 2015).

When familialist strategies are allowed to operate towards providing member with housing and ensuring access to homeownership, they also function as a solidifying actor of the 'Social Contract' implying that even if the state does not suffice, family will be left unobstructed to self-provide housing which will ne later protected by legislative or informal institutional framework. During the post-2008 global financial crisis era, family resources in southern Europe have started showing clear signs of weakening dynamics. This can not

only be attributed to drop in family incomes, but also a modernization of mentalities regarding elements of familialism like prolonged cohabitation. Assuming this trend continues, housing will need complementary of substitutive supportive mechanisms.

3.7.2 Taxation of Housing Property

Favourable homeownership-related taxation has during past decades - albeit varying in form - has been used as a kind of subsidy seriously affecting tenure structure and housing regimes (Delfani *et al.* 2014, Hegedus & Szemzo, 2015). Maloutas (2008) goes even deeper reporting the effect of favourable taxation to promoting specific types of Greek multi-dwelling buildings in past decades. There seems to be a delicate relationship between taxation and housing, although a direct link does not seem valid. It should not be assumed that favourable taxation will deterministically lead to high homeownership rates (Doling & Elsinga, 2013). Szemzo (2009) highlights the difficulty in pinpointing indirect subsidies linked to homeownership tax expenditures like mortgage-interest exemption-deduction. Such schemes eventually favour high-income homeowners over lower-income renters. Delfani *et al.* (2014) note that tax breaks as means to boost homeownership may indeed increase households' exposure to mortgage loan debt.

Taxation of asset-based wealth is increasingly seen as an effective means to increase public revenue, while also moderating inequalities (Iara, 2015). However, there is a widespread acceptance of significant implementation issues which need to take into serious account national sociocultural idiosyncrasies (*ibid.*). Leishman *et al.* (2014) underline the need to focus on the total household income when defining housing-related property tax, as it regards wealth which is often '*unearned*' in practice. They propose a hybrid of property and income tax, acknowledging that designing and implementing it may prove particularly challenging. Focusing solely on capital asset value has limited effect on income redistribution and is extremely risky to implement in cases of serious housing market swings. This is the for example the case in Greece where value estimates are still based on objective values which are no longer aligned to significantly lower market values (TENLAW, 2012-2015).

In countries and housing systems where homeownership has strong 'social good' colouring, taxation imposed on primary residence has become a sensitive issue (e.g. Haffner &

Winter, 2014 for Belgium). For example, Siatitsa (2013) discusses on the burdening effect of significantly increased property taxation in Greece amidst the crisis, as resource for public revenue. This shift, along with cutting-off homeownership subsidization indicates a change in the Greek housing system - albeit more or less forced.

Resistance to housing-related taxation increase is related to high political cost and subject to path-dependency, as it is socially unfavoured (Haffner & Winter, 2014). This is especially the case where there is lacklustre transparency and distrust towards the state regarding the redistribution effect of such an increase (*ibid.*, Stephens *et al.* 2015a). According to Kemeny-Castles 'trade-off' theory analysis, households accessing homeownership through a mortgage loan will tend to resist taxation fuelling the welfare state (Stephens *et al.* 2015a). This becomes bigger issue in homeownership-inclined societies.

Property-related taxation directly affects housing costs. In systems with historically high outright homeownership rates, low housing-asset taxation can be seen as means to unlink housing from employment status, and due to familialism also from the market (financial institutions, constructors etc.). By keeping housing costs to a minimum a kind-of housing decommmodification had been established for many decades. While the aforementioned mainly regard recurrent taxation imposed on property, one should not neglect the effects of purchase taxation, and especially on accessing homeownership for first time buyers.

Therefore, it is safe to assume that significant changes in housing-related taxation patterns will sooner or later cause shifts in housing regimes. Hegedus & Szemzo (2015) consider taxation on of the composing elements of housing regimes, along with subsidies and social housing. In systems where favourable taxation has historically been used to promote homeownership or kept low to protect its decommmodification, it certainly constitutes an indirect support of the respective 'Social Contracts'. Persistent change in housing property taxation will inevitable force shifts in housing systems and are likely to provoke socio-political upheaval.

3.8 Defending Homeownership?

After having examined the various functions it would be useful to try answering the question of why homeownership is preferred. Even more, why in some systems it is the tenure of choice? Answering that becomes more interesting as homeownership is related in almost all systems – although in a varied degree – with significant risks. Homeownership serves the manifold purpose of accommodation *risk avoidance*, *non-investment* social and civic aspirations and *investment* perspectives. On the one hand people will try to avoid social risks stemming from poor housing and eliminate the chance for homelessness (extreme housing outcome). On the other hand there are aspirations – either related to housing as an investment vehicle or linked to personal goals reflected on or served by housing as a non-tradable asset. Clapham (2002) states that housing is “*a means to an end rather than an end in itself*” (p. 60). Non-investment objectives include quality accommodation for personal and family security and enjoyment, social/class status indicator and anything of the sort. Investment objectives include income-rent generation, mode of capital savings instead of 'wasted' rent payment, speculative gains from housing prices fluctuation, and future welfare emergency back-up. Manturuk *et al.* (2012) based on a USA focused study, concluded that despite Homeowners and renters experience almost the same levels of financial hardship, the former feel less psychologically stressed and more financial secured.

It should be noted that any aspect is not restrictive of another but may coexist. For example housing asset-generated income may be consequently stored in bank savings for future welfare needs. Likewise, an asset bought may involve speculation for future profit and be utilized until the time to be sold and traded-up. Another example would be the purchase and use of an asset to cover accommodation or other personal goals while functioning as a back-up in case of need. One should keep in mind the distinction between homeownership and owner-occupation. While the former can be either referring to asset-based welfare and/or investment, or to the accommodation function of housing, the latter clearly links to the accommodation-led benefits. This is a distinction not often made in relevant studies where the two terms are used interchangeably for any meaning.

In some systems homeownership may not even be a ‘free’ choice but a result of lacking viable alternatives. Where the social rented sector is residual or inexistent, the private

rented sector of poor quality and/or high rents, and the welfare state weak security seeking through housing asset acquisition may seem and be a one-way road. Moreover, in some systems heritage leads to an ‘obligatory’ homeownership as the acquired assets may not be able to be used for their equity due to low demand or disposed off because of societal/tradition ‘rules’. This is usually combined with weak social and/or uncompetitive private rental sectors.

Fahey & Norris (2011) say that the ‘wobbly pillar’ label clearly downplays the capital-aspect of housing. They support this by underlining that housing is the only major capital-based service of the welfare state people can acquire on their own without having or the need of special skills and knowledge. Self-provision (purchase) removes service (accommodation) aspect away from the market (self-provided through the ‘imputed’ rent). The capital aspect of housing is affected variably by state policies but not controlled by it. Thus, housing as capital is commodified but as accommodation ‘familialised’. Moreover, homeownership incorporates owner and user benefits in a tenure more efficient than renting (various issues) regarding accommodation as homeowners are the best tenants and landlords they can get for themselves. Of course whether housing acquisition really does not require special knowledge is debatable as poor asset selection may lead to loss or waste of precious and even irreplaceable resources. Additionally, considering every Home-owner as an efficient one regarding his asset seems rather generalist and deterministic disregarding poor maintenance and depreciation due to negligence or income hardship, and other issues like inappropriate neighbour mentality.

3.9 Further Comments

Housing’s double identity (financial asset and accommodation service) is significant but not always relevant to welfare. In cases where the household owns just the asset of their residence the capital asset function of housing is doubtful. People will tend to avoid trading-down, remortgaging or over-mortgaging their home for either practical (smaller house, financial hardship, insufficient capital gains from the transaction) or sentimental reasons. Except the cases where the acquired or inherited house is far larger than needed, in good standing (marketable) and within a functioning national and regional market, primary residence can hardly be the solution to welfare state absence. Secondary housing

(countryside, leisure etc.) or homeownership but not self-occupation is a whole other issue however where the capital asset aspect of houses can truly shine either as a wealth accumulation strategy or a supplementary welfare resource.

Promotion of homeownership by the state may be seen as a substitute – even if a partial one – of social housing due to its horizontal distributional effects, despite its weak vertical ones (Fahey & Norris, 2011). However, housing can be neither the end nor the departure point of welfare provision. Further discussing on this issue homeownership nature – regarding acquisition, welfare links and impacts (social, political, financial) – will differ from system to system. It is a whole other thing referring to debt-free homeownership based on inheritance or familialist self-provision or self-build, and homeownership based on market mechanisms of mortgage debt undertaken early in life and carried on. Burdens, risks and benefits exist in all cases but are distributed differently in the household/individual lifetime and even press variably different aspects of its activity. For example mortgaged/debt-tied housing assets will make need for full-time and undisrupted employment imperative affecting not only employment requirements but also societal orientations regarding job-seeking. In any case however, apart from housing-specific policies (direct or indirect), peripheral policies (income, general taxation, social security etc.) will deeply affect housing outcomes which in turn become causal elements of next generations housing system.

3.10 Closing Remarks

Elaborating on homeownership in this chapter, it has become evident that it is more than just rates and tenure structures. It is worth noting that there is still no universal consensus on the threshold over which homeownership rates are considered high. This is mostly defined per study and usually according to the cases compared. The level of owner-occupation by itself tells nothing about the socio-political paths that led to it. Neither does it hint at the underlying mechanics supporting or hindering its further expansion. For example, homeownership can be the outcome of deliberate and structured housing policy, or formed as a reaction to the lack of it. If temporally persisting, homeownership becomes institutionalized and a basic element of socio-political bargaining and pressure. Thus, it turns into a catalyst of systemic housing transformations.

Likewise, one cannot safely discuss on the link between owner-occupation and welfare without considering levels of mortgage lending on a national level. The rates of outright homeownership are one of the key elements affecting the differentiation between housing systems. At the same time it is related and directly affects housing dynamics in each country.

Homeownership seriously Affects collective family realities and everyday lives of its members. In countries with weak rental sectors and rudimentary housing policy, this goes to the extreme. Housing of the family remains constantly a central preoccupation in the pursuit of housing welfare self-provision.

The aforementioned conclusions are of special importance to country-cases like Bulgaria and Greece, where high owner-occupation has historically been the case. This means that relevant theories should not be employed without seriously considering contextual idiosyncrasies. This is the case of asset-based welfare which is canonically used referring to selling-off owned housing to cover for pension needs. In Southeastern European context this can be expanded and translated to include wider welfare services like health care, or even acquisition of housing for younger family members. Among the main points discussed in the previous chapter was about the shortcomings of making country-cases somehow fit pre-established theories or those valid in different contexts. In this Chapter it was made clear that neither should irrationally force theories to the point of transformation, in order to find application and validity in specific cases.

Such considerations remained central throughout the design and implementation of this research, as shown further in the thesis.

Chapter 4 - Research Methodology

4.1 Research Aim, Objectives, Questions and Hypotheses

[...] ἀλλ' οὗτος μὲν οἶεταί τι εἰδέναι οὐκ εἰδώς, ἐγὼ δέ, ὥσπερ οὖν οὐκ οἶδα, οὐδὲ οἶομαι.

Plato, 'The Apology of Socrates' (21)

The perhaps most famous of the quotes attributed to Socrates, suggests that *wisdom lies in knowing and acknowledging, what one does not fully know*. That certainly includes whatever may seem self-explanatory or evident. Embarking on this PhD research such a suggestion proved extremely useful in a number of occasions, and during the project as a whole. Housing issues and especially regarding established systems and *manières*, like *institutionalized homeownership*, are often bound to theorization liable to research prejudice. The latter relates to knowledge subject to *tenacity* i.e. accepted due to convenient and pre-set assumptions (Beins & McCarthy, 2012 p.7). As an overall perspective, this researched used mixed Qualitative and Quantitative methods, while the data analysis and interpretation of findings have a strong qualitative colouring due to the scope of the PhD.

The *Aim* of this PhD Research is to analyze and explain how housing welfare⁶ is created or inhibited by the associated 'idiosyncratic' institutional structures within 'southern' and 'southeastern' European housing regimes. Through qualitative and quantitative research, and using Bulgaria and Greece as case studies, the thesis seeks to contribute to the housing and welfare regime literature that has thus far had only limited reach into such countries.

⁶ housing welfare can be better outlined through the philosophical theory of 'utilitarianism'. Applied in housing, strategies adopted and outcomes produced will be judged on covering needs in the best possible way. Moreover, decisions and paths taken will be considered as good or bad according to their eventual outcomes. Paths taken will be even more justified and reinforced when producing satisfactory outcomes for the majority of people concerned (<https://plato.stanford.edu/entries/utilitarianism-history>)

For the selected case-studies of Bulgaria and Greece, the Research Objectives were to:

1. Assess absolute (compared to EU) and relative (to GDP) “under-performance” or “over-performance” of housing systems, in terms of housing outcomes
2. Present evidence on State-Market-Family triangle interactions, shifts and transformations regarding housing welfare
3. Establish how the institutional particularities in these two countries (such as clientelistic & familialist networks, homeownership, secondary houses) are linked to housing welfare
4. Explain the state’s role in housing policy by employing the Esping-Andersen Welfare Regimes, Housing Corporatism and Varieties of Capitalism frameworks (multi-faceted approach)

Research Questions

1. What is the level and distribution of housing welfare in Bulgaria and Greece?
2. What are the sources of housing welfare?
3. What are the types and function of institutional interaction mechanisms in the State-Market-Family triangle, in relation to housing welfare structuring?
4. What are the key-drivers of the Bulgarian and Greek housing systems and the possible reform paths?

Hypotheses

Hypothesis A: *Bulgarian and Greek Residential Capitalism types are poor fit with the existing classification - typology*

- Asset-based welfare cannot operate effectively in a context of stagnant housing markets, deteriorated stocks, inflexible legal frameworks, and slowly-adapting and path-dependent policies
- These ‘Familialist Residential Capitalisms’ will move towards an amalgam mixing extreme Capitalist with Statist elements

Hypothesis B: *Housing Policy path-dependency is an especially influential factor in both countries*

- Policy reforms will face opposition through institutional inertia and actors' resistance to change
- Clientelistic mentalities will - gradually - weaken due to shrinking shadow economy and financial resources, thus making room for reform opportunities
- A consensus, including multi-party agreement, will be required in order for the necessary reforms to be implemented
- The state will remain key-player in housing system reforms, especially as a regulator of interests

In this section I present the theoretical consideration regarding the research methodology strategy, and the steps followed to serve research questions, objectives and hypotheses. Before concluding the section, I present specific issues encountered while conducting this research and the ways they were dealt with, along with relevant limitations.

4.2 Research Approach and Design

4.2.1 Theoretical Framework

There are many ways to define a research, according to its *processing, aspirations, measurement, and time perspective*, among others. Due to the nature of its central topic (comparative housing policy and system) and to serve its pre-set objectives this PhD research had to adopt a multi-type approach. The part of the research examining past housing paths and evolution, along with past and present preferences, mentalities etc. is *ex post facto descriptive* in nature, as Kothari (2004, p.3) and Beins & McCarthy (2012) describe. At the same time, it is also *analytical*, when critically evaluating data collected (*ibid*). Applying Beins & McCarthy (2012) framework this research moves beyond *description* (even though some of it is necessary), to focusing on *explanation* and proceeding to *predict* housing behaviours within the transforming socio-political context of the two selected countries. From a time perspective, the research is *cross-sectional* as the data gathering is set in specific point in time (Sekaran, 2003; Beins & McCarthy, 2012), despite the fact questions asked also regard past experiences and family housing histories.

The latter links to elements of *historical* (Kothari, 2004) and *archival* (Beins & McCarthy, 2012) research. Cross-sectional design allows for group-comparisons and national assessments (Creswell, 2012). Examining multiple cases is common in cross-sectional design (Bryman, 2012 p.59).

Based on the classification in Babbie (2012), this research has been *exploratory* in that it tries to revisit and better understand phenomena already been described - more or less sufficiently - but from a different and more detailed-extensive perspective. It is also *descriptive* especially regarding the ethnographic comparative perspective and historical evolution of the two housing systems. Being *explanatory* offers an insight into the reason that led to specific housing outcomes and relevant cultural mentalities. Explanations given are dominantly *ideographic* i.e. based on detailed understanding of causes and effects for the specific cases studies (Bulgaria and Greece). When all factors leading to a certain phenomenon have been considered, and not having one makes the consequence uncertain, the analysis may be deemed complete (*ibid.* p.96). Babbie (2012) highlights the need to be careful when opinions come from people experiencing the phenomenon under study as their answers may be underestimated by the researcher. People living the phenomenon have more direct contact with it even though their opinions may differ. What is common in differing opinions has to be important (*ibid.* p. 96). Moreover, *ideographic explanation* is especially aided by comparison between similar situation in different places and times.

On arriving to some meaningful conclusions and recommendations based on the data gathered, this research adopts both *inductive* and *deductive reasoning* (Sekaran, 2003). Deduction regards forming hypotheses based on theory and then using data to verify or reject them to revised theory. Induction is about the impact of data gathered to theory that triggered the research (Bryman, 2012 p.24). Combination of reasoning is especially necessary in social research where theories and observation alternate in cycles. For example, one part of data gathered during this research are needed in addressing hypotheses, but another part used to refine established theories. Creswell (2012) notes that qualitative research is more inductive and quantitative rather deductive (also Bryman, 2012). Regarding its aspirations, and given the fact, that some kind of generalization is sought, this PhD research is of the *fundamental* kind, although also *applied* in its attempt to propose solutions on various housing issues (Kothari, 2004). Being also a *conclusion-oriented* this research allowed for flexibility in research design (*ibid.*).

From an ontological perspective and focusing on housing policy issues, this research adopts a *Constructionism* perspective. Housing mentalities are strongly affected by social constructs and perceptions, which often cannot be properly or sufficiently explained by 'outsiders'. Social phenomena are in constant flux and subject to reshaping forces. The research can only grasp certain aspects of social reality i.e. its own construction, rather than some universally fixed one (Bryman, 2012 p.33). In epistemology, *Critical Realism* recognizes that as long as something has an impact, it is very much real. Therefore, social constructs and prejudices can be studied as normal (Babbie, 2012 p. 42; Bryman, 2012). This has been especially useful in focusing on and assessing housing mentalities.

One of the most significant challenges in this research was to examine theories and knowledge, so deeply rooted and widely accepted that would qualify for what Beins & McCarthy (2012) call *a priori method*. Wide consensus and reasonable arguments make such knowledge somehow, indisputable. The major issue here is that what may be the 'fact' at one point in time, may not be so at another. indeed, changed in how people view things will be mostly achievable through gradual efforts towards *objective* research (*ibid*, p.8).

Ethnographic elements

Due to its scope and main concept (*housing*) this research has strong ethnographic elements, although differing from pure Ethnography. Significant part of the thesis focuses on understanding, analyzing and interpreting cultural elements, beliefs and patterns (Creswell, 2012 p.462). Participants examined (excluding the housing experts perhaps) share certain cultural beliefs and behaviours regarding housing, as verified by literature and data analysis. The case study method utilized in data collection had been related to ethnographic aspirations⁷. Themes central to this research like *homeownership*, have a clear cultural aspect, often dominant. Semi-structured interviews used for primary data collection are a common tool used in ethnography (*ibid*. p.471). In accordance to *Critical Realism* claims, *Ethnomethodology* in qualitative field research argues that people create and structure their realities through everyday actions (Babbie, 2012 p.314).

⁷ also Bryman, 2012 p.67

4.2.2 Research Design

Research design regards the practical structuring of the research to be conducted. The aim is to maximize useful data collection while minimizing time and money resources outlay. Research design defines proper data sources, collection and analysis strategies, and within a specific time and budget framework (Kothari, 2004). Decisions about the location, type, aim, nature, sample, and measurement tools and data analysis of the study are all made during this phase (Sekaran, 2003). As the interviews with people from both countries also require them to tell their stories around family housing strategies and history, research design has also been partly *narrative* (Creswell, 2012 p.502) even though reporting those stories had not been the scope.

The mixed methods design implemented in this research is what Creswell (2012, p.541 & p.544) describes as '*embedded design*'. Such mix allows access to the strengths of both qualitative and quantitative data (Bryman, 2012 p.633). Research methods in the thesis largely consist of primary Qualitative data supplemented by secondary statistical data/indicators, mostly used to better explain concepts or cover issues not covered by the qualitative research. Collection and overview of the latter started almost from the beginning of the research, and far earlier than the qualitative data collection phase. Quantitative data initially contributed to refine and optimize the qualitative study in both countries, and later in better explaining qualitative data outcomes. Primary data collection had been based on *qualitative in-depth interviews*, while secondary data used are comparative statistics. Combining the two methods helps better understand housing which is both tied to its *symbolic* and its *practical* aspect, thus needing multi-perspective readings. This combination also offered a chance to better triangulate results, cover research gaps of one method through the other, answer different research questions, improve credibility and utility of findings, and combine different views offering a better explanation of results (Bryman, 2012 p.633). Creswell (2012) argues that analyzing the data collected through a mixed methods research design can be pretty challenging. For the embedded design used in this research, quantitative and qualitative data had been separately analyzed and had their results compared afterwards (p.551). Table 4.1 shows the key topics to cover, set according to research questions, objectives and hypotheses. Figure 4.1 shows the Research Design and the relevant procedure followed.

Quantitative	Qualitative
<ul style="list-style-type: none"> • Tenure Structure: Homeownership levels and modes, rental sector size, social housing size • Stock Profile: volume, age, size, occupancy • Housing Cost: Housing cost burden, payment arrears, residential property taxation • Housing Finance: mortgage to GDP ratios, mortgage levels, state expenditure on housing, family transfers • Housing Market: price indices, transaction volumes, construction activity • Social Considerations: overcrowding, housing deprivation, mobility, cohabitation, satisfaction and opinion on housing conditions 	<ul style="list-style-type: none"> • Housing Experiences: transition phases, kind of issues encountered, retrospective self-evaluation • Housing Strategies: modes of access to Homeownership, manoeuvring within the rental sector, acquiring and retaining assets, familialist transfers for housing • Housing Mentalities: significance and utility of Homeownership, opinions on renting as primary choice or an alternative, anticipated drawbacks per tenure • Housing Policy mentalities: opinions on housing policy effectiveness, expectations on Social Housing, anticipated help from state or non-state institutions, lobbying dynamics

Table 4.1 - Key Topics considered in the Research Design

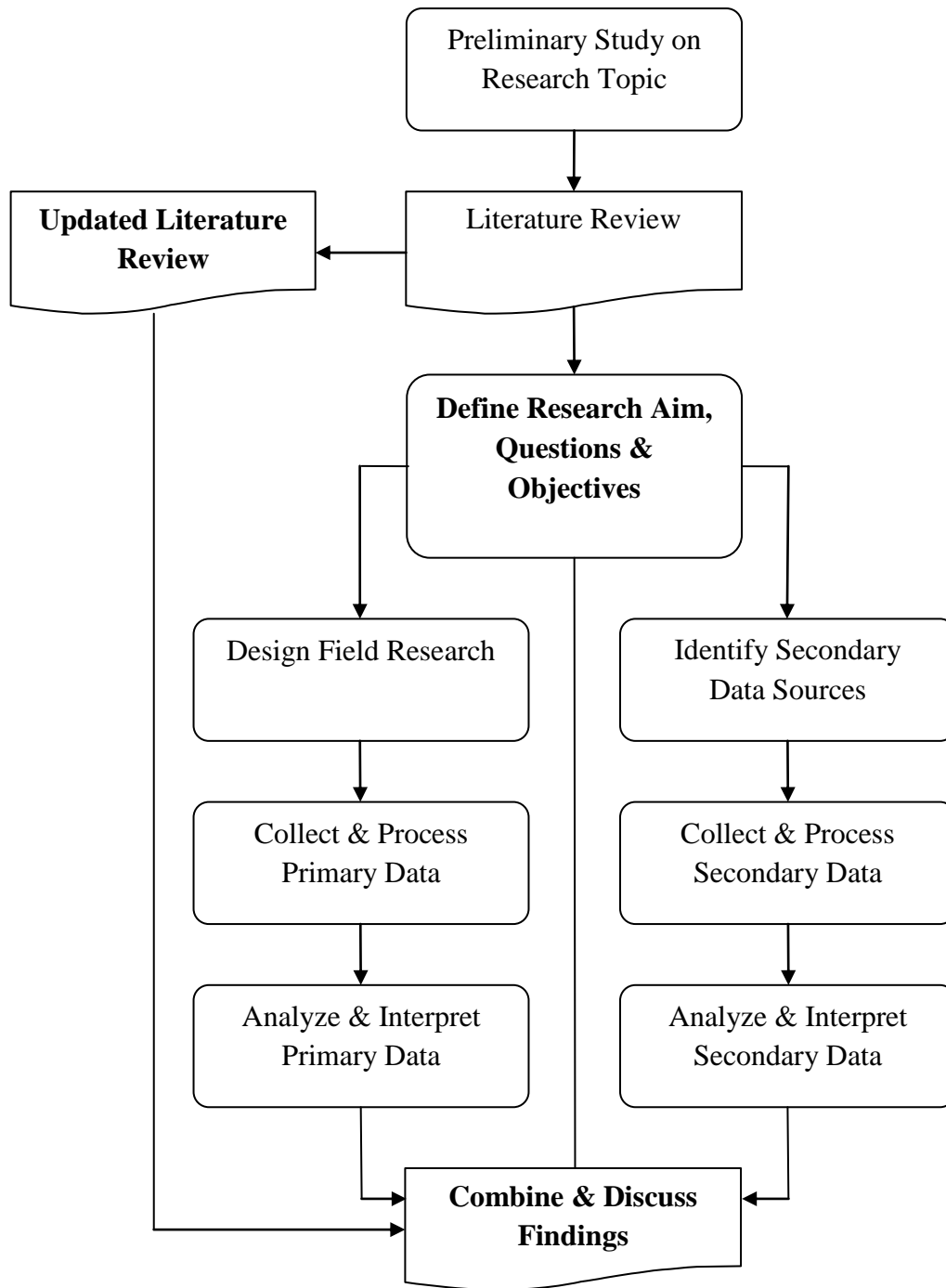


Figure 4.1 - Research Design Chart

4.3 About Case Study Selection

Case study method refers to the in-depth qualitative analysis of a specific unit, paying attention to every detail⁸. Then, based on from case data generalizations are made (Sekaran, 2003; Kothari, 2004). Case study method is fit for sociological research as it allows capturing behavioural patterns, experiences, motivations, historical paths, social trends and changes. Among other advantages, case study method improves researcher's skill (*ibid*). Some limitations of case study method include comparability issues, researcher's and respondent's subjectivity, precarious generalization, extended time and money requirements, and assumptions made (*ibid*). Beins & McCarthy (2012, p.89) also highlighted the attention needed when generalizing based on case studies (also Bryman, 2012 p.70).

Qualitative case study method regards both countries selected and analyzed, and the groups selected in each country. Even though selection of interviewees cannot be clearly considered as *case study*, it was based on *collective case selection* in order to examine the issue through various case studies (*here participants*). According to Bryman (2012, p.70) case studies can be classified as *exemplifying* i.e. offer the chance to examine them as expressing wider cases, and also focus on crucial social processes. On a country level, case study selection was *instrumental* i.e. to focus in the national housing systems and policies (Creswell, 2012 p.466).

In this PhD research case study is explicit on a country level. That is, countries and their housing systems are important to the research, through *ideographic* approach (Bryman, 2012 p.68-69). At the same time, when comparing Bulgarian with Greek people responses design is cross-sectional as interview responses from people have their own significant weight. The latter is identified with *nomothetic* design and the effort to generalize results (Bryman, 2012 p.97). Bryman (2012) argues that a research can have both *case study* and *cross-sectional* elements.

⁸ Also Bryman, 2012

Case studies - Bulgaria and Greece

The justification for the selection of these countries is based on the following two reasons. Neither are easy to fit into the socialist and southern European grouping, and both are experiencing radical transformational pressures as a result of sociopolitical and financial turbulence i.e. fall of Communism (Bulgaria) and the severe impact of the GFC (Greece). The former is a very interesting research case for housing theory. Even though a former socialist country, Bulgaria followed a notably divergent housing system evolutionary path compared to other former Socialist countries. One of the main elements was the early dominance of homeownership since the early years of the Socialist regime. This has also been affected by the fact that Bulgaria followed Socialist path, rather than a Communist one, even though often labelled as such. On selecting the latter, research findings later verified the preliminary indications that Greece has a unique housing system evolutionary path, certain elements of which significantly differentiate it from the wider Southeastern housing system grouping. Having repeatedly characterized as *homeownership societies*, it was intriguing to examine the housing system of these two neighbouring countries. This regarded not only their evolutionary path, but also its current implications and transformation trends. Housing policy in both countries has remained extremely dormant until recently, while housing issues are still being discussed within a limited circle of experts. This is bound to change sooner or later as the GFC triggered wider transformation processes in their respective housing systems, albeit for different reasons - as thoroughly analyzed in the following chapter. The two-country approach allowed comparing the two case studies in an open-ended manner while not under-examining them, which is a risk when having multiple cases at hand (Bryman, 2012 p.75). In this PhD research cross-cultural comparative design was implemented by examining the same issues with the same instruments in both countries, with one of the goals being their comparison, in order to understand their national context and focus on similarities and differences (*ibid.* p.72). Apart from Sofia and Athens (the capital cities), Burgas and Larissa had been chosen due to their demographic and geographic significance. Burgas combines strong tourist and industry sectors, while Larissa has its urban character embedded within a strong rural context and agricultural industry. Having a significantly different profile compared to the Capitals, I considered them as a good choice to verify whether housing mentalities and strategies are influenced by location.

4.4 Data Collection

On primary data collection measurement, this research has been *qualitative* in its approach. That is, mainly based on subjective interpretation of data regarding opinions, feelings, mentalities etc. (Kothari, 2004). Nevertheless, significant part of the thesis is concerned with the available statistical data describing the housing systems and their outcomes, from various perspectives. This has a double goal. On the one hand to juxtapose the statistical 'reality' with people's experiences. On the other hand it gives a comparative overview of the cases studies in relation to their smaller (group) or wider context (EU). Qualitative research is bound to subjectivity and bias of the researcher (Creswell, 2012). Mixed research methods offer a better change to better understand and explain phenomena, combining the best of the two approaches (Creswell, 2012). For this PhD qualitative data have been given priority, over quantitative analysis which draws from secondary data.

4.4.1 Literature Review

Literature reviews regards the thorough assessment of available published and unpublished secondary sources or information (Sekaran, 2003). Beins & McCarthy (2012) suggest that literature review is a highly selective process (also Creswell, 2012), due to volume and quality concerns. Literature review may actually an ongoing process throughout the research (Bryman, 2012 p.100). This has been the case for this PhD thesis, although intensity significantly varied from one phase to another. Literature review ensures no important information will be ignored. Without setting a theoretical framework, data sought may not sufficiently cover the issue researched. Moreover, through proper literature review the researcher can avoid resource loss from doing research already conducted. *Validity and Reliability* of research methods are significantly affected by literature review (Sekaran, 2003). Through such a procedure, the research will be able to, eventually, create knowledge (Beins & McCarthy, 2012). Creswell (2012) highlights that in qualitative research literature review mainly functions as the means to focus on the central phenomenon and the need to be researched - *here housing* - rather than define questions to be examined. Literature review should not dictate the direction of the study. Data are being collected in order to gain knowledge from the participants. (*ibid*).

4.4.2 Primary Data Collection - Interviews

Primary qualitative data have been mostly based on semi-structured (focused) interviews with housing specialists (e.g. academics, economists) and people of various age-groups. Qualitative interviews allow for an in-depth understanding of attitudes, behaviours and social processes (Babbie, 2012 p. 334). On the downside, any statistical descriptions are weak if possible at all, and generalizations precarious. Kothari (2004) argues that personal interviews offer more flexibility and control over the volume and quality of the information sought, with some downside nevertheless. This method is time-consuming and often expensive, open to biases on both sides, exaggerated responses, and systematic errors. It may also deter participation of people like politicians, officials etc. Sekaran (2003, p.228-229) ends up in similar conclusions.

The interviews with Bulgarian and Greek households and housing experts have been an extremely useful instrument without which it would not be able to answer most of the Research questions. For RQ2, interviews reveal the true sources of housing welfare i.e. family, banking sectors, public bodies etc. Moreover, they showed the nature, mix and impact of these sources. This includes for example the channelling of undeclared income in housing construction and using consumer loans for housing. For RQ3, interviews highlight the interaction of the family with the construction and banking sector in the pursuit of suitable and affordable housing. They also highlighter attitudes and expectations regarding the intervention of the state in housing affairs. Lastly, for RQ4, interviews show the nature and intensity of various social forces affecting housing reforms like e.g. tax aversion.

Topic Guide Questions

The in-depth semi-structured interviews with the thirteen housing experts and the forty-five citizens (heads of families) had been based on a set of open-ended questions and respective probe questions forming a topic guide to serve the discussion. The topic guide was only available to the researcher. The citizens had no prior knowledge of the questions except the overall topic of the PhD research, while housing experts received a stripped down pro-forma based on the topic guide. Semi-structured interviews are often facilitated by a Topic or Interview guide, while the interviewee is free to answer as they see fit (Bryman, 2012 p.471). Qualitative interviews were selected instead of unstructured ones, as it would

enable cross-case comparison. Moreover, some specific issues had to be covered (*ibid*, p.472). The topic guide was structured to maintain a flow from one topic to another. Initial questions were formed on the basis of their capacity to provide information for answering the research questions. Probe questions were used as a means to clarify responses and expand the discussion (Creswell, 2012). Overall, during the interviews various types of questions have been used from introductory and follow-up questions, and moving on to specifying, direct, structuring questions. Their number and type varied from one interview to another according to the context, by listening and reacting to what was being said (Bryman, 2012).

Open-ended questions and semi-structured interviews allow for the respondent to express himself freely within an overall flexible discussion with the interviewer (Beins & McCarthy, 2012; Bryman, 2012). For that reason, field research is better accommodated by less-structured qualitative interviews (Babbie, 2012 p.327). On the downside, as Babbie (2012) notes that open-ended questions - a dominant element of in-depth interviews - need proper coding to be analyzed, and are thus subject to researcher interpretation bias. Beins & McCarthy (2012) also note that open-ended questions make coding, organizing and summarizing open-ended responses may prove rather challenging. The semi-structured form of the interview guide ensured all the important topics would be asked and therefore be more comparable from one interviewee to another and cross-country. Keeping an open-stance through general questions, allowed to learn from the participants rather than the researcher seeking certain things to learn (Creswell, 2012). Open-ended questions are rarely of one type and vary in openness (Bryman, 2012 p.479). I have used '*initial*' questions to get the conversation going, '*intermediate*' questions to trigger elaborating on the initial answers and follow-up, and '*ending*' questions as the discussion matured.

For this research, interview questions (including probes) had focused in past and present experiences, behaviour and opinion on housing matters. By focusing on key points in time related to individual and household housing experiences, it had been able to avoid memory distortions. Beins & McCarthy (2012) note that when respondents are asked to recall rare incidents, rather than routine elements, memory errors tend to decrease (p.266). Overall, questions to participants have been kept clear, open, respectful, positive, relevant and non-suggestive (Bryman, 2012).

Selection and Recruitment of Participants (non-experts)

Sample design had been formed as a combination of *judgement* and *stratified* sampling (Sekaran, 2003 p.277; Kothari, 2004 p. 15; Beins & McCarthy, 2012 p.100). *Purposive or Judgement* sampling is non-probabilistic and regards selection of specific participants by the researcher, according to their characteristics and the purpose of the research (Babbie, 2012 p.201; Bryman, 2012 p.418). Issues with *judgment* sampling mostly regard generalization of results, but in cases it is the only option available (Sekaran, 2003). Sekaran (2003) argues that when comparing two cultures the sample size will be two (p. 134) regardless of the number of sub-units examined. In such case the unit of analysis is the country. The number of participants and interviews was set based on estimation for the anticipated saturation, which initially expected around the 15th interview, while keeping it practical in terms of data volume and analysis (Bryman, 2012 p.425). A better description of the sampling used in this research can be given using the method presented in Creswell (2012) as '*purposeful sampling*' (p.206). Participants and sites-cities had been selected due to the volume of information that could be obtained. The key advantage is the potential to better understand processes and behaviours, even though generalizations are generally questioned. More specifically '*purposeful sampling*' was partially '*Typical Sampling*' and partially '*Concept Sampling*' (*ibid.* p.207). The former allowed for a description of the situation to those being unfamiliar with it, while the latter helped explore various pronounced concepts on housing in the two countries. Regarding the selection of people according to the age of the family, this intended to capture different opinions and their variation. Serving this purpose, the selection of sample cases based on specific differing traits is described in Creswell (2012, p.207) as '*maximal variation sampling*'. Due to financial and political instability (systemic Crises, imposed capital controls, institutional mistrust) recruiting participants through conventional channels like newspapers, social media etc. had been estimated as potentially ineffective, time-consuming and uncertain. This was especially the case regarding recruitment of participants of the specified profile, as there were no effective means to ensure their eligibility. To counter these obstacles two European Society for Opinion and Market Research⁹ certified recruitment agencies had been employed. Their involvement was strictly limited to recruitment according to profile requirements I set, and arranging the time and venue of the interviews. Participants had

⁹ ESOMAR - <https://www.esomar.org/>

minimum to none former experience participating in in-depth qualitative interviews, and especially regarding housing. All eligible citizen participants received compensation (in cash) for their participation. Babbie (2012, p. 280) argues that cash incentives increase participation, with no negative effects whatsoever. Selected participants had been informed on the purpose of the research and the genuine interest in understanding their views, strategies, aspirations etc. about housing. This was communicated both by the recruitment agency and me at the day of the interviews. Such steps, support trust-building between the respondent and the interviewer (Babbie, 2012 p. 325). Likewise, they were explained that recordings aimed at permitting accurate analysis of their words and no kind of profiling or archiving. This was especially important in both countries, where mistrust against institutions (including research projects) is considerably high.

Conducting the Interviews

According to literature research and after consulting/verifying with the aforementioned recruitment agencies, it has been decided that the interviews would take place in a neutral environment (most of them took place in separated rooms within the agencies), unless the participants were not feeling comfortable accepting me to their house. Venues selected allowed for proper recording and a safe and quiet environment. All interviews with Bulgarian people were conducted through the mediation of two experienced professional interpreters living in Bulgaria. Interviewees communicated with the interpreter in their native language, so to avoid language affecting how interviewees reply (Beins & McCarthy, 2012 p.263). The interpreter then responded back to me in English (Sofia) or in Greek (Burgas). Interpreters were informed about and prepared on the requirements of the Topic Guide and the interviews as a whole. Apart from their unquestionable necessity (language barrier), their knowledge of and familiarity with the Bulgarian reality proved invaluable during the interviews. They also made sure questions were understood as intended in the native language. Intermediation of the local interpreters significantly helped establish rapport with the Bulgarian citizens and removing shyness or mistrust on the spot. Sekaran (2003 p.395) underlined the possible issue of people feeling shy towards foreigners. This is similar to what Beins & McCarthy (2012, p.144) described as "*biosocial effect*", where the characteristics of the researcher like age, nationality etc. affecting how interviewees respond and behave. While all interviewees had been informed and accepted

being recorded, some of them seem to have been somehow been affected by this and remained restrained or uninspired (Bryman, 2012 p.483). Interviews varied in their quantity and quality of information, as well as their duration (*ibid.*). The duration varied from roughly half an hour to more than seventy minutes. Table 4.2 summarizes the key details.

For the Bulgarian Housing Expert interviews I used Skype video-call to overcome accessibility/availability issues, while Greek Housing Experts Interviews were conducted at their office. No issues encountered whatsoever. Four Greek housing experts declined or did not verify participation after receiving the pro-forma, most probably due to the effect of personal interview requirements as described by Kothari regarding high-profile interviewees being inaccessible (2004, p.99).

Participants	Period	Interviews Conducted	Duration of Recordings		
Housing Experts	27/02 - 19/10/2015	13 out of 13 scheduled ¹⁰	~ 17 hours & 54 min.		
Greek People	2 nd - 16 th June 2015	25 out of 25 scheduled	~ 19 hours & 14 min.		
Bulgarian People	5 th - 11 th July 2015	20 out of 25 scheduled ¹¹	~ 17 hours & 1 min.		
Group Codes		Bulgarian People		Greek People	
		Sofia	Burgas	Athens	Larissa
A1 (New HH, Working Class)		2	1	5	2
B1 (Mature HH, Working Class)		2	2	3	3
C1 (New HH, Middle Class)		3	2	3	1
D1 (Mature HH, Middle Class)		2	1	2	1
E1 (Pensioner HH)		3	2	3	2
Purposeful Sampling Criteria					
Young Households, Working Class		Households of less or more than 5 years of common life; Pensioner Households i.e. at least one member being pensioner; Social Class according to combined Income and Occupation criteria adjusted to national standards			
Mature Households, Working Class					
Young Households, Middle Class					
Mature Households, Middle Class					
Pensioner HH					

Table 4.2 - Interview Phase Details

Lastly, *saturation* is considered reached as the volume of additional information notably drops. Creswell (2012, p.251) marks saturation as the point when no new themes emerge, and no detail for the existing themes is added. That said, what defines whether saturation has been reached is fairly vague and subjective. Although a definitive number cannot be set, 12 to 20 interviews have been loosely considered as a volume of reference. Saturation point is very much dependent on the topic examined and the homogeneity of the

¹⁰ Six Bulgarian and seven Greek Housing Experts. But an additional four Bulgarian Experts proposed and sent their opinions in writing, raising the total number of Bulgarian Experts contributing to ten

¹¹ The five Bulgarian participants missing, did not show up the day of the interviews

respondents (Bryman, 2012 p.426). During research design, saturation had been anticipated around the 20th interview. According to the data analysis, saturation was reached around the 12th to 15th interview depending on the sub-topic discussed.

4.4.3 Photo-shooting and Observation

Taking photos of legacy housing stock in Bulgaria and 'Workers Housing Organization' stock in Greece have been mostly used as complements in the field work data gathering (Bryman, 2012 p.457). For photo-shooting locales please refer to Appendix II, Pictures 1-4.

4.4.4 Secondary Data

Secondary data refer to data already collected and analyzed, and readily available (Sekaran, 2003; Kothari, 2004). Official reports and studies, newspaper articles, processed statistical data fall within this category. Secondary data used so as to serve the purpose of the research (*adequate*), while paying attention to the source (*reliable*). Secondary data often the opportunity of a *longitudinal* flavour in otherwise *cross-sectional* studies. Bryman (2012, p.325) argues that official statistics can be used as '*unobtrusive measure*' i.e. limiting the risk of the researcher affecting responses. In few interviews I discerned signs of *reactivity* i.e. some participants were influenced due to knowing they were participating in a research. By selecting high quality sources of secondary data, the researcher can limit the issue of not having control over the quality of the data (Bryman, 2012 p.316). For the secondary data required during this research Eurostat (EU-SILC)¹², ELSTAT¹³ and NSI¹⁴ have been used as sources of reliable *statistical data*. The statistical data analysis helps compare numerical realities with realities experienced. From a time perspective statistical data used were cross-sectional, with a limited longitudinal flavour. Special interest is given to the data of the last six years (2008-2014), due to significant socioeconomic and political changes. *Official documents* and *reports* have also been as sources of data not available elsewhere, and often as a means to *triangulation* of data. *Newspaper articles* used in the introductory chapter showed some of the ways housing issues are communicated to the wider public, and compared to interview findings and statistical data available.

¹² <http://ec.europa.eu/eurostat/web/income-and-living-conditions/data/database>

¹³ <http://www.statistics.gr/en/home>

¹⁴ <http://nsi.bg/en>

EU-SILC record in a standardized way multiple indicators on a wide array of topics, among which is housing. *'Statistics on income, social inclusion and living conditions cover objective and subjective aspects of these themes in both monetary and non-monetary terms for both households and individuals'* (<http://ec.europa.eu/eurostat/web/income-and-living-conditions/overview>). As the *'EU reference source for comparative statistics on income distribution and social inclusion'* (*ibid.*), EU-SILC includes the EU-27 along with five additional countries. The minimum effective sample size is as follows:

	Households		Persons aged 16 or over interviewed	
	Cross-Sectional	Longitudinal	Cross-sectional	Longitudinal
Bulgaria	4500	3500	10000	7500
Greece	4750	3500	10000	7250
EU-27	130750	98250	272900	203850

Source:<http://ec.europa.eu/eurostat/documents/1012329/4462345/EU-SILC-sample-size.pdf/1d70e0a7-5761-4adf-8ecb-e464d253b845>

4.5 Data Analysis

4.5.1 Primary Data Analysis

Bryman (2012, p. 13) argues that data analysis is the process of reducing gathered data to allow for interpretation, otherwise impossible. Transcribing audio recordings is a time-consuming process (Creswell, 2012). Due to the nature (open-ended) of the questions and the total number of interviews conducted (13 with housing experts and 45 with Bulgarian and Greek people), I ended up with a considerable volume of recordings to be analyzed (more than 54 hours of recorded material in total). This phenomenon is not uncommon in this kind of semi-structured research (Bryman, 2012). To counter this, an alternative approach has been adopted, similar to what discussed in Bryman (2012, p. 486). Interviews had been listened to three times each, and only the most interesting and information-rich section were included in the research report. After the first two passes-listening to get the general feeling of the recordings, the first interviews were being transcribed in the language recorded in extensive detail, excluding only the most irrelevant information like introductions and farewells. At the same time dominant themes were being noted and aggregated in parallel. Significant deviations from 'norms' (contrary evidence) were given extra attention and noted. As interviews started repeating information (overlapping) reaching saturation, transcription became more selective with the most outstanding parts

being transcribed, including significantly different phrasing of similar opinions. Selective transcription relies on the researcher's judgment but significantly reduced volume of transcripts. While, interview parts useful for researches with different scope may be missing (Bucholtz, 2007; Davidson, 2009) lack of selection can actually be deemed non-scientific when producing impractical transcripts (Davidson, 2009; Duranti, 2006). Transcripts were then printed and analyzed by hand providing themes for the research report in a manner similar to what is described in Creswell (2012, p.237). When uncertain I re-listened interviews to ensure no information loss. Process of coding and aggregating data into - interrelating here - themes is inductive (Creswell, 2012). Transcripts had been coded (from open to axial and then selective coding) on a sentence or paragraph level according to interview at hand. This is often the case in qualitative analysis, and may vary in size (Babbie, 2012 p.410; Bryman, 2012p.569). Initial coding had been refined through re-reads of the transcripts and gradually forming sections in terms of theoretical topics. For a coding example refer to Figure 4.2 at the end of the Chapter. Bryman (2012, p.578) discusses this as '*Thematic Analysis*' of qualitative data i.e. structured thematic units formed by repeating data patterns, consolidated into wider topics. I have used adapted thematic analysis to the needs of my research setting key themes and subthemes based on repetitions and similarities or differences. I kept themes as much juxtaposed to the topic guide questions as possible. Bryman (2012, p.624) underlines that when using *thematic analysis* it is often the product of an underlying quantification. This had been the case in my research, as themes were formed according to repetition of certain words, phrases, and their interlinked meanings. Partial '*quasi-quantification*' had also been the issue in the interview data analysis section related to the use of words like 'most', 'some', 'often' and the like (*ibid.*).

Regarding the transcribed quotes entering the data analysis, they have been subject to translation. Regarding the Bulgarian interviews with people, the interpreter transferred people's words through consecutive interpretation from Bulgarian to English (in Sofia) or to Greek (in Burgas). Selected quotes from the selected transcribed recordings were processed or translated in English and prepared to enter the data analysis section. The same was the case with Greek people recordings leading to a final translation from Greek into English. The central concern was to present the reader with a readable set of quotes presenting the original ideas of the participants, paying special attention to meanings and content. Translation has been kept as close as possible to the original spoken words, only being

optimized when readability was at risk. I made every effort not to affect content and style of spoken words. During the first listening of the interview recordings, non-verbal components had been considered as irrelevant and, but few exceptions, have been omitted.

Interview recording analysis and section transcription was carried out by myself, and started soon after the first interviews had been successfully conducted (Bryman, 2012 p.484). Regardless of time and effort required, this allowed to get the 'feeling' of the data and better identify themes and codes (*ibid.*, 486). *Triangulation* of findings employed evidence from different participants and combination of different data (Creswell, 2012). The former was mainly the case in Bulgaria where I had no personal experience of the housing system during Socialism. Descriptions from different people allowed verification of the pattern formed. This had later been juxtaposed with the literature review findings.

4.5.2 Secondary Data Analysis

Analyzing existing statistics can be used at least as a supplementary source (Babbie, 2012 p.354). Interview findings are often compared or combined with statistical findings, as a historical or contextual basis (*ibid.*). Statistics can also cover whole countries, offering an overview which is very often not the case with qualitative field interviews. At the same time this can be a shortcoming as aggregate statistics on behaviours of wide groups or often do not reflect individuals (Babbie, 2012 p.356). For this research statistics regarding behaviours have been not been used. When using existing data there is a limitation to what is available, reducing validity as what we want to know may not be sufficiently - or at all - covered. Logical reasoning is often used to counter this shortcoming, along with replicating measurement from different perspectives (Babbie, 2012 p. 357). Lastly, reliability of existing statistics - however official - may be questionable. The research often does not know the quality of the measurements and accuracy of the report. Knowing these shortcomings is significant in reducing their impact (Babbie, 2012 p.357). The analysis of secondary data had been mostly quantitative while some findings had to be discussed also in qualitative terms. From a time perspective analysis is mostly cross-sectional, while some parts have a limited quasi-longitudinal flavour subject of course to the data availability.

4.6 Research Ethics

Anonymity and Confidentiality - As a part of ethical research, all interviewees have been guaranteed and protected by *confidentiality* and *anonymity*. No one outside this project had access to participants' information. Non-sensitive personal data had been collected to co-verify eligibility with sampling requirements, and in case of a post-interview contact need. During recruitment phase, participants had been informed on the scope and topic of the research, the intention to record the interviews and the personal data to be asked, if they were deemed eligible and decided to participate. At the day of the interviews respondents were informed about their right to withdraw at any time, with no consequence whatsoever. Apart from this, the consent form also included my identity and the topic of the research, of which the respondents had already been informed. Personal data have been scheduled to be destroyed after the successful submission of this PhD thesis. No *sensitive* personal data have been collected whatsoever, either directly or indirectly (political or religious beliefs, sexual orientation etc.). For in-thesis transcripts quoted, I made sure interviewees could be identified with and by specific quotes. The rest of the data are presented in aggregate thematic structure and processed by me.

Ethics and Data Protection - Heriot-Watt University School of the Energy, Geoscience, Infrastructure and Society research ethical guidelines have been followed as required. Ethical approval for the research project had been submitted and approved before the interviewing phase. As an additional optional measure, personal data and recordings of Greek interviewees are protected by the department for the protection of personal data (www.dpa.gr) on which I submitted a notification of research and commitment to destroy data post-submission of the thesis. The same had been sought for Bulgaria, but it proved practically unviable. I also contacted the Bulgarian commission for personal data protection (www.cpdp.bg/en) early on, without success. Following communication with housing experts led to no definitive conclusion on any valid relevant statutory obligation. Above all, I made sure personal data collected and interview recording were kept safe until destroyed. All relevant info had been stored digitally encrypted.

4.7 Research Challenges Encountered

Language Barrier in Bulgaria

With me being a non-Bulgarian speaker, interviews in Bulgaria were subject to *direct* or *indirect* translation effect. Interviews with Bulgarian housing experts were conducted in English. Even though I and most interviewees have no trouble communicating on a proficient level, English is not a first language. Therefore, *direct* self-translation of meanings, opinions, ideas, concepts etc. had been unavoidable. To counter this, housing experts had been sent a simplified version of the topic guide i.e. the general thematic questions without the probe questions (pro-forma). This allowed them to structure their thoughts so properly as to be expressed in English in the best possible way. Knowing beforehand the generic content of the interview had not been evaluated as a drawback given the fact that housing experts have professional experience on housing topics and more or less formed opinions. Moreover, it had not been a goal of the interviews to extract opinions through surprise. Interview content analysis and cross-checking with literature review showed no deviation between their recorded opinions and their published work.

Interviews with Bulgarian citizens (heads of households) were conducted in their native language, with the intermediation of a professional interpreter per city. Interviews were subject to *indirect* or *double* translation effect. I directly asked questions in Greek (in Burgas) and in English (Sofia), with the interpreter translating them in Bulgarian (native language). Respondents communicated directly with the interpreter in Bulgarian, and their responses were interpreted in Greek (Burgas) and English (Sofia). Thorough preparation and discussion with the interpreters, along with their professional experience, ensured high level of fidelity when making the questions. However, translation of participants replies may have been subject to partial *interpretation* effect. Lengthy explanatory discussions with the interpreters before and after the interviews, clarified ambiguities. Nevertheless, it cannot be affirmed with absolute certainty no information was lost in translation.

Financial Crisis Distortions

The Greek financial crisis (government debt) was triggered by the aftermath of global financial crisis around 2008-2009, was still ongoing at the time this thesis was being

written. Bulgaria was also affected by the GFC effects, albeit to a lesser degree. Overall, the impact of the crisis on the macro-economy and consequently on household budgets, was severe given not only its intensity but also its duration. As a result, statistical data during this period had to be analyzed and discussed with caution. Moreover, predictions regarding the future evolution of the housing system are deemed fairly precarious. Therefore, overall attention is given to indications and trends, rather than trying to safely interpret numbers and graphs.

Geographic Coverage

Interviews and photo-shooting in Bulgaria and Greece, took place in four cities due to resource limitations. Even though geographically significant, selected cities cannot be automatically considered as representing their respective country as a whole. Regardless of generalization risks, preliminary indications did not highlight this as crucial shortcoming. differentiation was not expected to be significantly affected by location. However, this has been taken into serious consideration in every step of research design and data analysis.

4.8 Research Limitations

Validity and Reliability

Validity regards the potency of the tool utilized (interviews here) to capture what they are supposed to and not something else. Reliability regards repeatability of the measurement and variation of the results (Babbie, 2012 p.334; Bryman, 2012 p.46), otherwise called *consistency* (Sekaran, 2003; Kothari, 2004). Beins & McCarthy (2012) argue that the research should be scientific by being *replicable* and *verifiable*. Bryman (2012 p.390-394) discusses on the *reliability and Validity* in qualitative research. *External Reliability* requirement can be satisfied by making explicit and clear processes followed. *Internal Validity* is strong in Qualitative research linking theories developed with observations made. However, *External Validity i.e.* generalization of results, is often an issue.

Field research and interviewing offers greater *validity* as the researcher is able to grasp the 'feeling' of the conversation and subtle messages, otherwise hard to capture through

questionnaires or surveys (Babbie, 2012 p.335). *Reliability* on the other hand, may prove to be an issue, as one cannot fully eliminate the researcher's impact on the interviewees (*ibid*, p.336). Being aware of this issue, I have avoided personal judgments as much as possible throughout the research and data analysis. Babbie (2012, p.336) argues that adding comparative perspective may moderate such risk. This research has been based on comparative analysis also on an international level.

During the design phase, special attention was given so as for the interview guide and the organization of the interviews to serve *content validity* i.e. adequate coverage; *criterion-related validity* i.e. relevance, objectivity, reliability and availability; and *construct validity* i.e. predicted correlation with key theories, acknowledging though that some parts had to rely on judgment (Sekaran, 2003 p.206; Kothari, 2004 p.74). The input of judges is invaluable regarding *content validity* of qualitative measuring instruments (*ibid*).

Reliability can be argued to be less easily demonstrated in qualitative in-depth interviews. However, it can be optimized by *standardizing conditions* (stability) and low *inter-group variation* (equivalence), as Kothari (2004) argues. This had been achieved by posing exactly the same questions in all participants in both countries. Questions had been translated verbatim. Most of the interviews took place on neutral ground i.e. the recruitment agency's room, with no external intervention or disruption. Lastly, recruitment of participants had been based on criteria specifically set and which I personally later verified. *Reliability* requirement is sufficiently covered in cross-sectional research provided the researcher is clear on procedures followed in recruiting participants, collecting and analyzing data (Bryman, 2012 p.60). *Internal validity* is weak in cross-sectional research due to issues in establishing causation rather than just associations (Bryman, 2012 p.60). *External validity* is strengthened through random selection of participants (*ibid*).

Generalization of conclusions

As general rule, one should be extremely careful when and not to generalize. Regarding the number of interviews with housing experts, there has been a noteworthy difference between the two countries. Despite initial willingness, certain Greek experts cancelled their participation after reading the pro-forma. Most housing experts have been selected and

contacted mostly based on their academic research work significance, and some of them were introduced by peers. Claiming that every housing expert has and could be contacted, would be inaccurate. Saturation reached ensured opinions on key-themes was captured.

Beins & McCarthy (2012) underline the fact that covariance is prerequisite and *alone* does not suffice to establish causation (p. 131); *temporal precedence* and *internal validity* are also required. The latter regards the necessity to exclude any other variables. In housing studies causation is usually hard to claim due to the inter-disciplinary nature of the field. Despite the number of qualitative interviews conducted with citizens and the fact that saturation had been reached as anticipated, representativeness should be approached with attention. Each household had its own, often unique and unrecorded, strategies for covering housing needs. That being said, overall mentalities and opinions have been evaluated as satisfactorily recorded.

Significant part of the interviews with people had been based on recalling key events in time, giving a quasi-longitudinal character to the research. Beins & McCarthy (2012) underline the memory-related distortions in such a case, and thus the issues in identifying causal links between variables. Overall, given the scope and design of this research it can be claimed that the results have a quasi-national character.

Comparative Juxtaposition

When comparing different country paradigms there is always the danger of seeing what one wants to see. The existence of similarities, however identical, between two country systems does not automatically group them together. For example *homeownership* which has been verified quantitatively and qualitatively as dominant in both countries, is similar at some aspects and very different at others. Historical prevalence of the tenure for example, is true for both cases. However, the way this had built up and its transformation phases vary. Moreover, building and urban design patterns significantly differ. It is always necessary to pre-define the perspective and approach adopted for which the comparative analysis is destined. Comparing groups or countries is often tied to implicit compulsion to establish patterns having universally validity regardless of culture. This is respective to what Beins & McCarthy (2012) discussed as "*etic*" research findings or *absolutism orientation* (p.340).

This PhD has remained as unbound as possible to such 'commitment' acknowledging some phenomena may present similar aspects in different countries. Striking example is *homeownership* which presents similarities on a macro-scale e.g. tenure structure, but also has significant differences in its comprising elements like urban forms. It is always useful to remember that as paradigms persist through time, they become reinforced (Babbie, 2012), and therefore may seem self-explanatory or evidently proven. Lastly, when using quantitative datasets like EU-SILC, one should keep in mind their limitations. Despite usefulness in terms of comparability and standardization of measuring, there is an inherent weakness in capturing distinctive systemic features and variations. This is mainly due to indicators design aggregating sub-indicators which have value on their own. Also, definitions like housing costs and tenure may not apply to every system in the same way (DeWilde, 2015b).

Closing Remarks

In this chapter I have presented the overall research strategy adopted and design structured and followed, and relevant noteworthy challenges both in conducting the research, and analyzing findings. Before moving on to Chapter 5 which goes into the detail of the two case studies and their theoretical background, Table 4.3 summarizes key points of the research methodology. Lastly, Table 4.4 shows the overall research timeframe.

Research Approach	Ex Post Facto, Ethnographic, Exploratory, Explanatory, Ideographic, Cross-sectional, Conclusion-oriented
Ontological orientation	Constructionism
Epistemological orientation	Critical Realism
Research Design	Cross-Sectional, Embedded Mixed-methods (Qualitative-Quantitative)
Interviews	Qualitative in-depth, Semi-structured
Sampling	Purposeful / Judgment-based
Case Studies selection	Countries (Instrumental) & People (Exemplifying)
Issues Considered	Generalization of results (External Validity), data interpretation, subjectivity, language interpretation

Table 4.3 - Research Methodology Key-points

	Stages	Time Periods													
		11/2012 - 02/2013	03/2013 - 03/2014	04/2014 - 06/2014	07/2014 - 11/2014	12/2014 - 02/2015	03/2015 - 06/2015	07/2015 - 10/2015	11/2015 - 03/2016	04/2016 - 06/2016	07/2016 - 09/2016	10/2016 - 03/2017	04/2017 - 08/2017	09/2017 - 02/2018	
1	Preliminary study - Clarify research nature & scope														
2	Literature Review - Collect, study and review relevant literature														
3	Preliminary Secondary Data analysis - Process & Preview available statistical data														
4	Major Review preparation - Review Major Report documents														
5	Field Research preparation - Prepare documents & contact participants														
6	Interviews and photoshooting - Travel & Conduct Interviews														
7	Primary Data analysis - Transcribe recordings, code & analyze data														
8	Data Analysis refinement & Triangulation - Interpretation & combination of data														
9	Minor Report preparation - Review Minor Report documents														
10	Literature Review update - Update & Refine Literature Review														
11	Secondary Data update - Update & process statistical data														
12	Final Draft Writing up - Refine & Combine Chapters														
13	Thesis refinement - Process comments & feedback received														
14	Final Thesis Submission – Refine & Submit final Thesis														

Table 4.4 - Research Timeframe

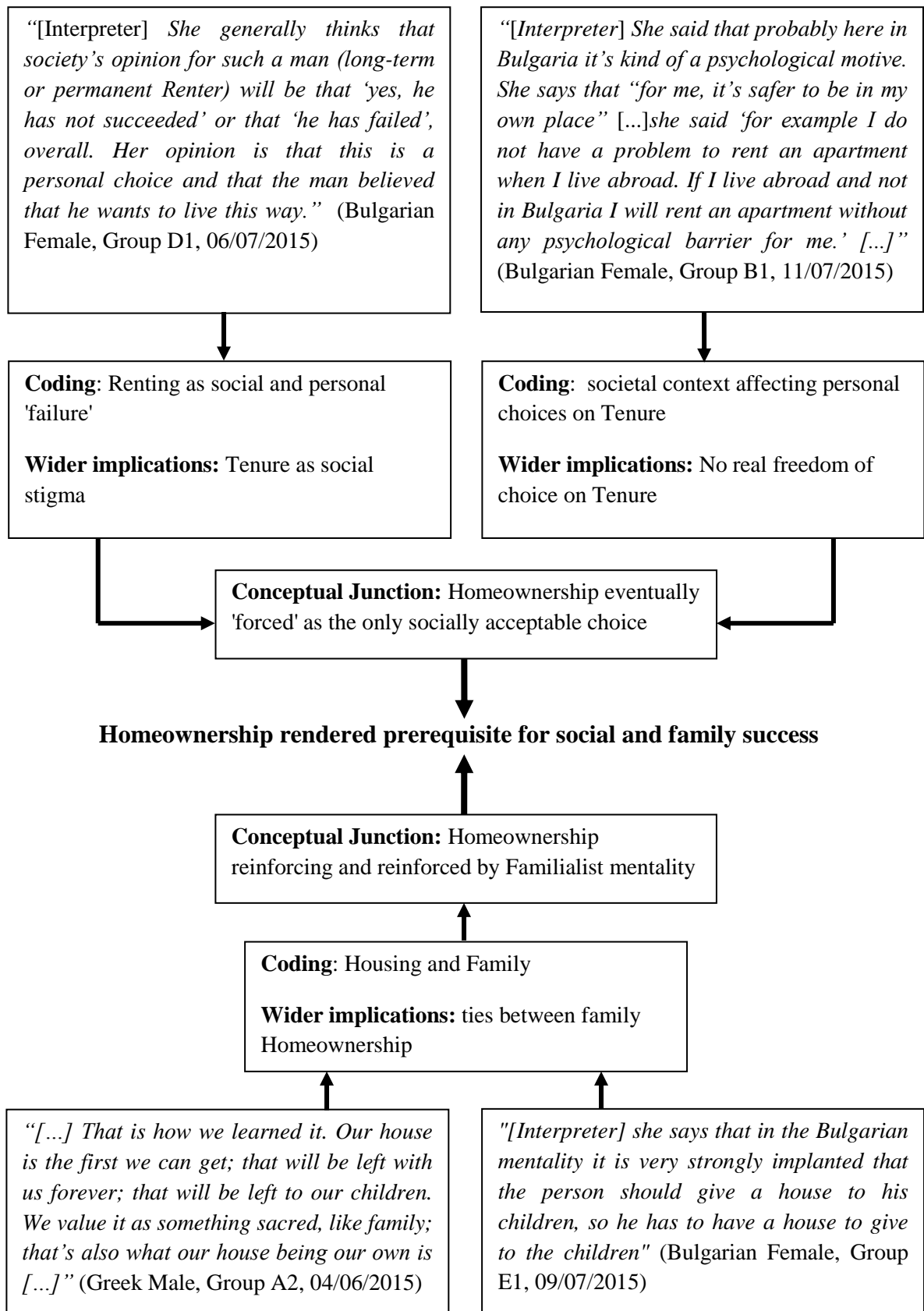


Figure 4.2 - Codification example of People Interviews transcripts (Source: author)

Chapter 5 - Case Studies Selected: Bulgaria and Greece

5.1 Introduction

This chapter is dedicated to Bulgarian and Greek housing system and welfare, and is directly linked and therefore necessary to fully address the research questions. The level and distribution of housing welfare (RQ1) in past eras are not easy to assess directly due to lack of statistical data. Information documented in academic work from various sources allows to gain some insight on the status and evolution of housing welfare, linking it to the modern era. Moreover, relating to RQ2 the sources of housing welfare unveil, along with their evolutionary paths and transformations. This is for example the shift from strong state provision of housing in early post-War Bulgaria until its total retrenchment by c. 1985. Likewise the historical institutionalization of housing familialism in pre-1990s Greece. The historical retrospective offers a thorough understanding of institutional interactions and dynamics within the state-market-family tri-pole (for RQ3). This is for example the gradual shift from self-building to housing self-promotion in the 1990s, as a result of the construction and banking sector involvement in the process. Research Question 4 requires an elaborate understanding of the social and political systemic elements still active today, along with the reasons of their persistence. This could not be possible without the historical insight of this chapter.

From a Research Methodology perspective, even though including certain statistical references this chapter offers a rather qualitative reading on past socio-political paths regarding housing systems and their evolution. Quantitative issues discussed like housing finance are *ex post facto* discussed and therefore often containing some kind of subjective interpretation. The historical retrospective exploration revolves around the search for *ideographic* explanations. Through the literature discussed in this chapter, the research gains a longitudinal flavour in the research.

The reader will recognize I have adopted a different approach for each country. Bulgaria is being initially analyzed within its wider socio-political context and housing system grouping, while Greece is being focused *per se*. This is of course related to the two countries' different profile and evolutionary paths. As a former Socialist country, Bulgaria

is usually considered along with its 'cohorts', disregarding its distinguishing characteristics. This also due to the fact literature review on Bulgaria is small when compared to the rest of the Central and Eastern European countries. To avoid this pitfall, I have chosen to analyze only these elements that can be deemed common legacy and shared - therefore interesting - gradually moving on to Bulgaria itself. Greece on the contrary, has a comparatively larger body of literature to consider, even though the vast majority of it is in Greek and largely left without update. In international studies and reports, Greece is usually examined along with its southern European 'cohorts'. Again, this often misses the special colouring of the Greek housing system, within an overall non-homogeneous grouping. Therefore mentions to the wider Southern European groups are made with care and in order to serve as reference when necessary and useful. The reader will be able to distinguish a different conceptual evolution. I argue that the Bulgarian housing system evolved differently and away from a common Communist starting point. Greece formed a housing system with significant differentiation from the Southern European group since the early post-War years. Hence, even though both countries are positioned in respect to their group, the kind of underlying comparison is very much different.

The last part of this chapter is dedicated to some key characteristics of 'weak' states. 'Weakness' and 'stateness' issues mainly regard the capacity of the wider official state to plan, communicate and implement institutional changes and reforms. The body of theory assessed is considered relevant to and examined for both countries as their housing system is in considerable need of institutional realignment.

5.2 Bulgarian Housing Welfare within its Context

5.2.1 Wider Post-Socialist Welfare trends

Post-socialist states do not present convergence trends towards some ideal-type western welfare regime or actual welfare state as was initially believed. The transition to capitalism has been deeply influenced (path-dependency) by the pervasive communist past with some of the existing institutional structures subject to reconfiguration (Kovacs, 2002; Draxler & Van Vliet, 2010; Stephens *et al.*, 2015b). There is significant intra-group differentiation with each state showing a different nature of mixed pre-communist (Bismarkian), post-communist (market-led) and Communist (universalist/corporatist) structural elements

(Draxler & Van Vliet, 2010; Aidukaite, 2009). Draxler & Van Vliet (2010) question whether the EU new member states constitute a distinct welfare regime or should be placed somewhere in the middle-spectrum of existing welfare regime types. According to their research (hierarchical cluster analysis) EU new member states and Mediterranean group are close in *social policy* terms but regarding *socio-political orientation* the latter are closer to the old member-states.

Kovacs (2002), argued that despite being 'shrunk' compared to Socialist times, the 'Communist welfare state' still holds as a 'safety net', and also more generous compared to some western welfare systems. This of course regards certain sectors, and *Housing is generally not the case*. Describing the post-socialist Central and Eastern European welfare systems, Aidukaite (2009) notes that the state is responsible for protecting people against social risks. However, achieving a better standard of living relies solely on *family* and *market* mechanisms. Welfare risks have been to a significant degree transferred to the family, which can be with or without some state support (Stephens *et al.*, 2015b). Aidukaite (2009) continues that welfare reform and formation is filtered through bureaucratic processes, and subject to global forces and systemic actors interactions. Civil society which could affect welfare reform is still weak in CEE area.

Other non-housing welfare sectors (benefits, social assistance and family policies) demonstrate strong variations, except some largely similar evolution of pension schemes. Pension sector goes against path-dependency by being affected by internal and external restructuring forces. Moreover, it is a policy tool discrete from others, as outcomes are direct and imminent, and therefore radical reforms are promoted with priority. In other complex policy sectors like housing governments tend to search for optimally mixed policies inserting or retaining past Socialist elements (Draxler & Van Vliet, 2010). During the transition and modern post-socialist era there was a significant drop in welfare state performance also due to the economy's adjustment to countries' real capacities (Kovacs, 2002; Aidukaite, 2009). After the austerity period Central and Eastern European countries are expected to develop a socio-political and financial framework where liberal and communitarian forces will be clashing - also on an ideological basis (Aidukaite, 2009) - and compromising leading to multifaceted agreements. Attempted reforms that western EU partners could deem as extreme, will face opposition due to the communist social legacy, transformation challenges, a new statist-conservatism and EU integration pressures.

Changes should be made with prudence, coordination and patience to evade social upheaval in these newly formed sensitive democracies especially amid the GFC, privatizations, and EU requirement pressures (Kovacs, 2002).

Stephens *et al.* (2015b) argue that the Post-Socialist housing welfare regimes ('*by default*') are experiencing a 'transformation' rather than 'transition' (convergence) phase. The post-socialist countries do not present the necessary prerequisites to support the formation of housing welfare regimes and clear attributed roles in the state-market-family triangle which offers welfare. Settled power structures and collective ideologies are missing. Power structures are basic to the Esping-Andersen welfare regimes while collective ideologies (privatism and collectivism) gave birth to Kemeny Unitary and Dualist rental market systems. The fact that these two approaches led to similar outcomes is an indication of western democracies more or less mirroring supporting societal ideologies expressed through elections. They continue proposing that post-socialist complexity needs a combination of power structure and ideology approaches to be properly explained. Both approaches are not internally stable but in a constant flux and also affected by outside factors which change with time. For example, Soviet influence has been gradually replaced by EU assistance. While Power and Ideology connect they are not always on the same page and may as well diverge. Moreover, Power and Ideology are prone to path-dependency as they are filtered through pre-existing institutional frameworks and therefore a softening of the convergence is more likely to happen without excluding divergence. Post-socialist housing welfare systems (by default) operate under a special mix of *state legacy* welfare, high inter-generational support and *anti-state* welfare (Stephens *et al.*, 2015b). They characterize post-socialist countries as 'Unitary' systems altering Kemeny typology a bit by substituting social and private rental market with private rental market and homeownership as the two parts. Greece could be also included in this altered 'Unitary' system.

Remaining sceptical, Hegedus & Teller (2005a) mention an older categorization of Estonia, Romania and Slovakia to the Residualist/Homeownership model, Poland and Czech Republic to the Dualist/Rental model. There, Bulgaria remains as an '*outlier*' (p. 206) due to high Home-ownership rates before the transition. Some CEE welfare regimes are a mix of other Regimes' elements. For example Hungary has characteristics of Liberal and Rudimentary Regimes bringing it close to how some SE systems tend to evolve, with more burdened families and a residual safety net social security (*ibid*).

Kovacs (2002) argues that neither CEE nor Western European countries have welfare regime homogeneity among or within them. However, some general trends are common, like privatizations, public sector retrenchment, decreased state intervention and developing voluntary sectors. CEE and Western Europe harmonization is not to be expected. Furthermore, if the CEE truly seeks to reproduce the US capitalist model this will lead them to greater incompatibility with the EU not due to their ex-communist elements but due to extreme US capitalism. Kovacs (2002) adds that following blindly or copying the rest of Europe will lead to unfortunate outcomes in the CEE. These countries have already lagged in following European social models and when they catch up it is possible that these models will have become obsolete. Moreover, a mindless application of fixed systems and mechanisms is bound to failure due to different timing phases and specificity of each national context. Lux & Sunega (2014) argue that past western social policies cannot be applied whatsoever.

5.2.2 Housing Welfare during Socialism

Social protection policies were especially elaborate during Socialism, equally to western European systems (Aidukaite, 2009). In a heavily state-dominated system of production, consumption and allocation with centrally-planned economy, housing was almost exclusively about the social right to shelter, and housing as a commodity was clearly disregarded if not countered (Norris & Domanski, 2009; Mandic, 2010). Housing was generally less significant than industrialization, often leading to housing shortages (Mandic, 2010) and consequently to primitive informal markets like self-build. State-owned and managed stock was eventually left insufficiently maintained and non-upgraded (Stephens *et al.*, 2015b). Overall, the Universalist welfare provision system offered low-to-medium quality level services. In such a system, eliminated homelessness and unemployment rendered individualist social risk burden unnecessary and furthermore absurd in an egalitarian ideology context. Canonically public policy was supportive of mass social rented housing provision, but it was not always allocated according to need. Homeownership was present but subject to heavy limitations in size, number of units per person etc., but few exceptions (Norris & Domanski, 2009; Mandic, 2010). Stephens *et al.* (2015b), note that the absolutely state-dominated welfare provision was also used as a tool of social control.

Generally speaking, in Socialist housing systems renters had elevated rights and often more than Homeowners, while the rental stock of higher profile and quality was reserved for the political and social elite (Mandic, 2010; Soaita, 2013; Stephens *et al.*, 2015b). It should be noted here that not all countries developed rental sectors in the same manner. Bulgaria and Romania for example had extended and dominant homeownership profile and a limited public rental sector during Socialism.

Under Socialism, housing had an extremely limited role as a welfare means, since the Universalist welfare provision system rendered it meaningless. As a result housing market remained severely underdeveloped, and asset acquisition was heavily controlled by state institutions (Mandic, 2010). Norris & Domanski (2009) fit the Eastern European Housing Markets¹⁵ into the dualist system with poor housing standards due to housing system inefficiency (central planning, locked state budget, insufficient and unequal supply non-aligned to people's true needs).

In the Socialist Regime, tenure was not indicative of the housing system operation. Tenants in the rental sector enjoyed enhanced privileges as they had many property rights owners had like the right to inherit, change and sell. Additionally in Bulgaria the owner-occupied sector property rights were under state control (Hegedus & Teller, 2005a). Differences in the Eastern European housing systems evolution has been attributed to different institutional settings transmitting state control and the varied way each state reacted to cracks and shocks in the system. However, the overall social perception regarding housing was distinct from the one in Western Europe (*ibid*).

Access to homeownership took place through various mechanisms like inheritance, self-help construction - especially in countries with abundance of building materials, land and informal economy - and cooperatives. However thriving, homeownership never assumed its identity as 'private property' during Socialism, mainly due to heavy state control of the housing system (Mandic, 2010). Secondary housing in the countryside allowed families' access to housing assets they could benefitting from. On a limited scale material gains were extracted through reselling, renting or exchanging them for resources. So housing had a limited role as welfare resource allowing to improve the quality of life and occasionally the material standing of households (*ibid*).

¹⁵ Term set by Hegedus & Tosics (1996) as an ideal-type (Hegedus & Teller, 2005b)

Focusing on the Czech Republic, Lux & Sunega (2010; 2014) underline the fact housing provision was key promise of the socialist regime, which through state control commodified housing until 1990. They also note the 'social housing' term was inexistent in the socialist context as housing needs were set by elite specialists and covered by the central state, with no outside intervention.

Despite the common perception of a uniform state-managed system responsible for housing production in former communist states, many of them saw this production as a result of personal transactions, self-building and hard-currency deals (Lowe, 2003a; 2003b). In Bulgaria the state would proceed on creating building shells (low-amenity flats) in order to increase quantity leaving the owners to complete the internal part of the properties for themselves and through interaction with the housing market (self-building, do-it-yourself etc.). Bulgaria is full of mass produced housing (estates) of the communist-era.

5.2.3 Post-Socialist housing Evolution

Numerous researchers have contributed in decoding the welfare and housing mosaic in the post-socialist countries. In the present sub-section theoretical key-points are summarized and clustered together. Where not cited otherwise, points made are a common place and similar in multiple studies, mainly those of Lowe, 2003a, 2003b; Buckley & Tsenkova 2001, 2003; Hegedus & Tosics, 1998; Tosics & Hegedus, 2003; Roberts, 2003; Elbers & Tsenkova, 2003; Hegedus & Struyk, 2005; Hirt, 2005; Tsygankov, 2007; Norris & Domanski, 2009; Tsenkova 2007, 2009a, 2009b, 2012; Csizmaday, 2011; Smigiel & Brade, 2011; Mandic & Cirman, 2012; Sýkora & Bouzarovski, 2012. *For this sub-section (6.2.3) only paragraphs starting and ending with the ~ symbol refer to the aggregate of the aforementioned authors, regardless of the additional references linked to specific arguments.*

In the post-socialist political environment shift in housing policy and consequently to housing systems, was central to serve democratization needs. Mass and rapid privatization of housing assets was one of the means to reach and develop housing markets (Gruis *et al.* 2009; Lux & Sunega, 2014). Even in countries where housing privatization was not significant like Bulgaria, changes in property rights and market regulation led to housing system transformation - albeit not in tenure composition. During the transition phase a

number of deep and radical changes took place regarding affecting both the welfare state and the housing system of post-Communist countries. Perhaps the most crucial element during the first years of transition was the evident power and institutional vacuum during the first period (Stephens *et al.*, 2015b). On a welfare level, Collectivist structure and ideology gave way to Individualist provision, exposing society to a number of risks like unemployment, weaker pension schemes. Social security safety nets were late to be established (Mandic, 2010).

Regarding housing, massive privatizations in a 'give-away' fashion along with restitution of property taken by the state during Communism, drove homeownership rates to unprecedented heights. Countries like Bulgaria with already extended homeownership during Socialism became 'super-homeownership' states (Norris & Domanski, 2009; Mandic, 2010; Fahey & Norris, 2011). The state rolled back its housing services and withdrew from the provision of new units, to unburden the state budget (Mandic, 2010). Mandic (*ibid.*) highlights that privatizations and restitutions led to massive wealth redistribution, but in unequal manner, with many citizens becoming disproportionally rich. This system became popular and to a significant degree kick-started the post-socialist capitalist mechanisms passing through privately-owned housing property. Personal wealth became the central social value and housing started to assume an increasing significance as an investment asset (*ibid.*). Privatizations - along with restitutions in some countries - was a way to enrich people - albeit unequally - but also a socially acceptable means for the state to get rid of housing responsibilities.

The transitional post-communist era saw CEE countries following different reforming and restructuring paths of their public policy mechanisms and institutional configurations (Aidukaite, 2009), also leading to new societal realities and meanings for housing. Housing however followed a path with many similarities (Mandic, 2010). Homeownership is a crucial and dominant – varying though – element in the Central and Eastern European context and in some countries (South-Eastern European) rates exceed even the Southern European group (Mandic, 2010). Drawing from Hungarian context, Hegedus & Szemzo (2015) noted the exposure to mortgage loans post-2000 turned into a financial liability during the global financial crisis. Even its investment dynamic has been challenged, housing persists as inter-generational fail-safe backup, central to households strategies. Nevertheless, accurately estimating asset value is often problematic.

On the *positive* side extended homeownership may be able to provide some access to enclosed wealth and serve as a welfare resource to counter an insufficient welfare system. *However*, younger people are now unable to access homeownership and rely on familialist resources, which may not suffice as wealth reallocation post-1990 was uneven. While some owners became enriched, for many others this shift was unprofitable and overburdened them with housing maintenance and upgrade costs. This was even more the case with housing constructed during Socialism (Mandic, 2010).

Stephens *et al.* (2015b) underline the fact that the state is the ultimate welfare source leaving a '*state legacy welfare*' behind, in the form of outright (debt-free) homeownership. In the post-Socialist era housing welfare gap needs to be filled through familialist structures and mechanisms like inter-generational transfers and self-help housing. Post-Socialist homeownership pretty much reproduced Socialist-era inequalities. Extended outright owner-occupation deters the development of mature housing markets (*ibid*). Stephens *et al.* (2015a) argue that outright low-cost homeownership functioned as a hedge against income precarity in the wider south-eastern context, by moderating its impact on housing quality.

Housing assets' potential as welfare (re)source renders them of gradually higher importance in a Post-socialist region presenting similar pressures with the Western European countries in terms of demographics (ageing) and a retreating public sector. Nevertheless, housing is intertwined in a multifaceted complex depending on societal and cultural unique context in each country. Apart from the embedded capital to use as welfare, housing can be the carrier of other kinds of welfare which depend on specific social circumstances in the Post-socialist countries (Mandic, 2010). Housing still plays a crucial role not only on welfare but also in socio-political and financial realities (Stephens *et al.*, 2015b).

In Post-Socialist countries privatization, restitution and self-help housing distorted the link between income levels and tenure type and quality. The ability for households to store, maintain and use the housing-embedded wealth is under question and in no way ensured. The potential has to be examined in relation to asset quality and quantity along with overall income capacity to cover up for the maintenance costs. Intra-group differences can be observed with the CEE sub-group being in better condition than the NEE and SEE ones (Mandic, 2010).

Housing Stock and Market Issues

~ Originally, construction quality of housing during Socialism was of poor standard. the majority of people today are housed within these high-rise housing blocks, having to deal with all relevant issues of quality like maintenance and upgrade, size etc. Due to financial hardship, people are unable to properly maintain their owned assets eventually leading to their depreciation (add. Mandic, 2010). The private rented sector is in most cases underdeveloped and the rental market immature, mostly consisting of incidental-landlords as a source of emergency income, rather than institutions or companies (add. Lowe, 2003). Newly-built units are fairly expensive to the average citizen leading to extended vacancies. At the same time the private construction sector attempting to emerge in a very segmented fashion post-1990 but failed to grow mainly by failing to secure proper financing (add. Pichler-Milanovich, 2001). This further hindered the renewal of the housing stock as well as the upgrade of the Socialist stock (add. Hegedus & Tosics, 1998). ~

~ Housing finance at both an individual and institutional level is problematic. Families have little confidence or access to means unlocking their property's financial potential or use it to move up the market improving their living conditions (Buckley & Tsenkova, 2001). An additional reason for that is the communist system inherited these countries with a number of problems not only regarding the physical state of the assets, but also income difficulties (Tsenkova, 2007; Mandic & Cirman, 2012) and corruption legacy (Lovell, 2005; Spendzharova & Vachudova, 2012). In generally underdeveloped housing and land finance markets, affordable and properly regulated mortgage market is absent, affecting and being affected by the low paying capacity of the population (Stephens, 2005b; Tsenkova, 2007). ~

Housing management responsibilities along with asset stock were transferred to local authorities (decentralization) however with extremely lacking resources for maintenance and with no legal obligation to maintenance and manage of these assets whatsoever (Tosics and Hegedus, 2003; Elbers & Tsenkova, 2003). Local authorities are now craving for solutions in order to get this liability of their backs mainly turning their eyes on foreign capital investment (Sýkora & Bouzarovski, 2012) in many cases without paying any special attention to the projects proposed (e.g. gated-disconnected communities in urban areas) and their wider consequences (Csizmadý, 2011; Smigiel & Brade, 2011; Sýkora & Bouzarovski, 2012). The mass produced housing (estates) of the communist-era (Mandic &

Cirman, 2012) pose as a serious socioeconomic challenge. Bringing this stock up-to-date is in some cases extremely difficult if not impossible from a financial perspective.

Expanded illegal/informal housing (e.g. self-help) has also to do with high construction tax burdens and insufficient financing (Tosics & Hegedus, 2003). There are now ongoing efforts to gradually legalize illegal housing while in parallel upgrade the statutory development regulation used to regularize and upgrade them (Tsenkova 2009b, 2012). The informal settlements in most cases came as a solution to insufficient urban affordable housing for the poor despite the urban planning and management problems. In tourist regions usually this does not concern covering basic housing needs, but second homes used for recreation, and is often linked to speculative investment (ibid). Infrastructure problems remain strong in these areas. Significant number of people are abandoning poor underdeveloped mainly rural areas leaving behind a surplus of badly maintained housing stock with lacking surrounding infrastructure (Elbers & Tsenkova, 2003; Mandic & Cirman, 2012). There is a general contradiction between the lagging countryside with its underdeveloped infrastructure and the promoted urban areas (Mykhnenko & Turok, 2008). However, during the last years a de-urbanization has been noted in the Eastern European cities with major inner-city deterioration effects (Mykhnenko & Turok, 2008; Csizmadý, 2011; Smigiel & Brade, 2011; Sýkora & Bouzarovski, 2012) mainly concerning poor areas.

Post-Socialist Housing Policy and Affordability

~ Affordability of the post-socialist housing units is a central issue in the wider area. Housing expenses rise as Socialist housing becomes older, while incomes are not rising adequately enough to cover the cost. Of course there are differences between countries of the Eastern group, but overall affordability is dropping as utility costs and property taxes gradually rise since the withdrawal of the state in housing welfare (add. Mandic, 2010). Affordability is an even bigger issue in urban areas (add. Pichler-Milanovich, 2001; Tsenkova 2009b, 2012). ~

Homeownership is being further boosted also as the counter-effect of failing social housing policies. Lux & Sunega (2014) analyzed the phenomenon attributing it mainly to the

'privatization trap', 'decentralization paradox', *informal economy*¹⁶ and a strong *socialist legacy* in housing policies, among others¹⁷. 'Privatization trap' has to do with the fact of social housing being built and immediately privatized due to socio-political pressure. 'Decentralization trap' regards transferring housing responsibilities from the central state to local authorities, while the latter are financially and politically weak to tackle such issues.

~ As a key observation, housing policy post-1990 has been widely neglected, with the state evidently disregarding structured and consistent policy-making in the housing sector. Various kinds of financial turbulence in post-socialist countries led to public expenditure cuts for housing. Housing functioned as a socio-political 'shock-absorber' during the transition years, which however has been overlooked by numerous governments. Housing subsidies have serious issues of efficiency (targeting) and accountability (opaque forms), failing to balance with increasing maintenance costs (add. Buckley & Tsenkova, 2001; Tosics & Hegedus, 2003). Modern housing policy fails to consider structural and contextual systemic particularities of each country (Tsenkova, 2003; Tsygankov, 2007), operating experimentally and being remedial in form, rather than forward-planning. In this new framework policy-making is subject to public and private sector influences. ~

Apart from chaotic mass-privatizations and state withdrawal from housing, there was also no effort to support the development of proper culture and mechanisms, able to serve a liquid housing market (Stephens *et al.*, 2015b). National housing policies are weak, poorly planned and lead by the old state-dominated regime actors (Elbers & Tsenkova, 2003; Bojkov, 2004; Smigiel & Brade, 2011; Sýkora & Bouzarovski, 2012). The communist system has left its mark on the planning, political and administrative system (Tsenkova, 2007). The old - still present - extremely centralized-technocratic approach of the communist era now appears unable to tackle with contemporary urban planning and social issues where a different number of public, civic and private players-actors (Hirt, 2005). The treading on admittedly limited, socialist paths is directed by the will and need to have a socially peaceful manifold transition era (Sýkora & Bouzarovski, 2012). Apart from that, neo-liberal laissez-faire market practices are seen as the solution. Aidukaite (2009) locates and 'ideological conflict' between (partisan) leftist politics trying to hold back right-wing ones pressuring for public expenses reduction in the new CEE welfare states (also Careja &

¹⁶ Shadow economy makes social and housing needs estimates doubtful being based on declared incomes

¹⁷ Lack of public finance resources and failure of not-for-profit schemes

Emmenegger, 2009). Continuing on a power-resource approach he notes that CEE parties are more fragmented than their western European counterparts with their political (ideology) boundaries blurred (*ibid*). Especially the left post-communist parties have failed to gain ground despite their acquired momentum in resources from the communist era, having to do with their identification with the ‘sinful’ past and the consequent lacking trust. All post-communist newly formed parties hardly made social policy central to their agendas (Aidukaite, 2009).

5.3 Evolution of the Bulgarian Housing System

5.3.1 Housing System during Socialism

Even during Socialism homeownership became the dominant housing tenure (Hirt & Stanilov, 2007; Haffner & Elsinga, 2015), proving Bulgaria had a different housing system (UNECE, 2005). Most mass-housing estate flats were built-to-sell between 1960 and 1989 through state organization, to accommodate rapid industrialization and rural to urban migration (UNECE, 2005; TenLaw, Bulgaria). By 1970 the Socialist financial system had severe issues in providing decent affordable housing, which led to a partial controlled liberalization of the market. This gave room to private sector to make arrangements for their own housing needs, albeit under strict state control (Illieva, 2003; Hirt & Stanilov, 2007). At the same time the development of the private rental sector was countered through bureaucratic restrictions. Homeownership rates went over 80% from 1960 to 1980 (Hirt, 2012), while overall financial reforms started before 1989 in Bulgaria (Lux & Sunega, 2010).

Local authorities were responsible for the allocation of state-constructed housing, which was however characterized by extended waiting lists due to slow production rates. Citizens had no choice regarding the size, quality and location of the allocated dwelling (Tsenkova, 2009c). Apart from self-help housing which remained a legitimate mode, state-constructed mass-housing panel blocks were of initially low quality. Along with an allocation system favouring overcrowding especially in urban areas, housing quality soon became a matter of social dissatisfaction (*ibid.*, Hirt & Stanilov, 2007; Hirt, 2012). Tsenkova (2009c) argues that the low effectiveness of the Socialist state, along with restriction of the private sector

forces households towards alternative methods of housing provision through familialism and self-help which eventually raised housing costs.

Hegedus & Teller (2005a) argue that despite high homeownership rates during Socialism, property rights in Bulgaria were centrally controlled and limited, therefore without significant difference in practice. Tsenkova (2009c) notes that despite privately owned land on which self-help housing was constructed, market restrictions rendered land value effectively inexistent. If and when prices were attributed this was defined by the state regardless of location, available services etc. (*ibid.*).

Apart from a commitment to provide decent housing, Socialist Regime used housing as a form of wage supplement, and often as a political reward for the elite (Tsenkova, 2009c; TenLaw, Bulgaria). Housing was of major importance in terms of political and financial routing (*ibid.*). The Socialist Regime managed to largely cover housing needs in terms of quantity, rendering most people debt-free homeowners. Following Delfani *et al.* (2014), combined outright homeownership along with the regulative protection of tenants, pre-1990 housing can be argued having become almost completely decommodified.

5.3.2 Housing System post-1990

Housing policy in the post-Socialist era has been marked by its pronounced absence (Tsenkova, 2009c), with some hesitant steps during the last decade. Post-1990 small-scale private construction sector emerged significantly fragmented, while the housing construction severely dropped post-Socialism (Tsenkova, 2009c). With the radical retrenchment of the state from housing policy, and the liberalization of the market, housing became gradually commodified (Tsenkova & Polanska, 2014). At the same time the poor condition of the stock and failure to establish regulative framework regarding the maintenance of the mass-housing estates, led to a gradual loss of the market value of the socialist-era housing assets (Tsenkova, 2008). Currently there is an ongoing debate regarding the percentage of the socialist housing stock worth keeping and upgrading. In Sofia this regards less than half of the stock, although opinions differ between interest groups (Dandolova, 2014). In terms of housing sufficiency and availability, stock volume numbers cannot be considered automatically reliable. Tsenkova (2009c) underlines the fact of including holiday, secondary and substandard homes without distinction, making

estimation of effective housing availability debatable. Tsenkova (*ibid.*) analysis indicates that vacant houses cannot be included in housing availability estimates as often referring to assets unsuitable as permanent residence or in rural areas of low demand. The overall issue of housing vacancies is crucial as almost one third of the stock is uninhabited (TenLaw, Bulgaria; World Bank, 2017), and also related to strong outward migration trends and rapidly shrinking demographics. Applying Delfani *et al.* (2014) analysis, Bulgarian housing can be argued as '*precommodified*' with familialist housing strategies, dominant outright homeownership and low investment aspirations.

Despite a common socialist legacy, housing systems in the post-socialist cluster are not one and the same. Tsenkova (2009c) expects housing policies and systems in the area to diverge both from the Socialist cluster as well as the western housing systems. Albeit the common element of strict central planning of social and economic development during Socialism, different institutional configurations and combination of state and market forces within each country, created a distinct housing system (*ibid.*). For example in Socialist Bulgaria, strict rental controls kept prices affordable but forced the creation of undeclared rental market (TenLaw, Bulgaria). Such structures still affect policy-making and market functioning in the area due to path-dependency (Hirt, 2005; Tsenkova, 2009c).

Contrasting to the *absent* housing policy, there is a very *present* housing stock legacy from the Socialist past. Almost half of the housing stock in Sofia regards high-rise multi-family panel housing of high densities (Tsenkova, 2007 to 2008). More than two thirds of the Sofia population resides in Socialist housing estates (Hirt & Stanilov, 2007). Most pronounced issues regard the poor condition and age of the socialist housing blocks, along with overcrowding issues (TenLaw, Bulgaria).

The socialist legacy of large housing estates is not only visually imposing affecting urban forms, but strongly affects the evolution of the housing system and transformations of the society (Dandolova, 2014). Extended inter-generational cohabitation and overcrowding during Socialism, led to long-lasting societal trends which transcended the post-socialist transition phase, like familialism. Under the burden of lacking housing policy, underdeveloped financial and housing markets and with severe stock quality issues, the post-1990 family undertook the responsibility to provide its members with housing, hopefully adequate.

Privatizations in Bulgaria post-1990 were insignificant as the public-owned stock was extremely limited (Hirt, 2012). Likewise restitution of residential assets was extremely limited; less than 0.5% of the total housing stock was restituted by end-1994, and most of it was public-owned (UNECE, 1996). This element along with high rates of homeownership pre-1990 and large stock of second homes, indicate Bulgarian housing system differed from the wider eastern European cluster (Hegedus & Teller, 2005b; UNECE, 2005). Tsenkova (2009c) notes Bulgaria started diverging from the socialist housing model since 1970.

As Bulgaria had no stock to privatize post-1989 (Hegedus & Teller, 2005b), what happened was a '*reinterpretation of tenure*' (*ibid*, p. 26), where homeownership (along with the family) became the shock absorber of post-1990 socio-political conflicts, within a shrinking welfare state (Hegedus & Teller, 2005a). Despite the large number of housing units in SEE countries this did not contribute significantly in the transition as their volume was inconsistent with the size and relevant needs of the households, leading to overcrowding issues (Tosics & Hegedus, 2003). Today, outright homeownership prevails as mortgage loan exposure and the rental sector remain extremely limited. Although housing costs have significantly increased and their payment mostly relies on employment stability and wages levels, familialist transfer of outright owned housing units, somehow protects housing from full market exposure. Of course this comes at a cost as cohabitation is high and related to serious socio-financial repercussions. In Bulgaria housing shortage does not appear to be the prevailing issue, but this may also be more due to demographic degradation, than anything else. Unfit homeownership housing levels in CEE are close to those in SE with SEE sub-group being in a far worse condition (add. Mandic, 2010).

Housing market in Bulgaria has been developed in an unstable and segmented manner regarding its performance. Perplexed and opaque systemic configurations and non-modernized administrative functioning, along with political and financial instability weaken investor confidence (Buckley & Tsenkova, 2003; Tosics & Hegedus, 2003; Sýkora & Bouzarovski, 2012). During the post-socialist years the state failed to promote private financing by establishing mature legal and financial structures (Buckley & Tsenkova, 2001). Direct cuts on housing subsidies in Bulgaria lead to housing construction crisis with the state withdrawing and the private sector remaining weak due to financing issues and additional infrastructure cost burden imposed by the state (Elbers & Tsenkova, 2003; Tsenkova, 2007; Sendi, 2011).

5.3.3 *Residential Capitalism and institutional configuration*

Bulgaria is a new EU member-state and still considered as under transition from a Socialist past. Jackson & Deeg (2012) argue that capitalism in Central and Eastern European countries is something new and so it is difficult to fit on the existing typologies (also Crouch *et al.* 2009; Psychogios *et al.* 2013). They are defined as Dependent Market Economies and their evolutions is characterized by Foreign Direct Investment and Multi-National Companies (MNCs) seeking cheap-labour. Myant & Drahokoupil (2012) make a distinction of CEE capitalisms as: FDI - based, Peripheral, Oligarchic, Statist, Remittance/aid-based (also Becker, 2013). Schmidt (2007) talks about a hybrid market type in Eastern Europe somewhere along the CME/LME¹⁸ extremes. Farkas (2011) positions Bulgaria in the Baltic states sub-group of the new member states' cluster. Bulgaria is being presented as having the following characteristics among others; dominant FDI to make up for weak internal capital, income inequalities, strong state control, administrative burdens, low taxation, issues with market openness, underdeveloped financial market, flexible labour market and low social protection. Myant & Drahokoupil (2012) ended up to similar conclusions. Ost (2000) included Bulgaria within the Eastern European cluster, by being characterized by '*illusory Corporatism*' where the new (in form) but otherwise old systemic elite networks, marginalize the labour force through process of typical tripartite¹⁹ bargaining, without concluding to any binding agreements whatsoever. This way neo-liberalism is established by being socio-politically legitimized, while weakening labour force voice. According to Schwartz and Seabrooke (2008) analysis VoRC Bulgaria fits the familial-type profile with high rates of homeownership, owner-occupation and ~ 60.75% negative deviation from the EU-27 mortgage debt to GDP ratio (Hypostat, 2013).

Institutional particularities

As a Post-Soviet/ex-communist country Bulgaria is characterized by an amalgam of persisting organizations attached to older ways and modern ones following westernized approaches (Psychogios *et al.* 2013). Different political and socio-economical spheres present differentiated composition and structure. Serious inequality, clientelism & corruption issues combined with the GFC burden and the transitional phase, severely

¹⁸ Coordinated-market Economies and Liberal-market Economies

¹⁹ Between the state, trade unions and employers

obstructs Bulgarian institutional reforming (Farkas, 2010; Grimalda *et al.* 2010). Multinational Companies have a strong presence bearing westernized ways likely to affect the Bulgarian context regarding institutional change while being affected by it in an effort to adapt to the national mentality (Psychogios, 2013). According to Morgan's (2009) typology, while not exactly fitting somewhere, Bulgaria presents some characteristics of the Developmental and Liberal state. More specifically, partisan protective politics, dichotomy between the 'old ways' and the 'modern' ones outline the former. In parallel, flexible labour market links to the latter. Multinational Companies as an important and strongly present player will affect institutions but probably towards divergence.

5.4 Greek Housing Welfare within its Context

5.4.1 *Welfare Regime and State*

During the years, many authors verified the distinct character of Southern European group of countries (ind. Allen, 2004; Bonvalet *et al.* 2009; Fahey & Norris, 2011). On the Esping-Andersen welfare regimes typology SE countries constitute and fit in the Mediterranean Regime. Regarding their housing systems SE countries strongly differ due to varied historical evolutionary paths, institutional configurations, meanings, objectives and regarding the welfare system and state, when compared to wider groupings. Intra-group variations are observed despite some strong common elements. High homeownership – often a strong characteristic linked to SE systems – is also present in other European countries. In some of them like the Southeastern European groups even higher rates can be observed, with however a significant differentiation regarding the historical path, provision methods and overall housing system formation.

Regressive taxation, imbalanced structural development, biased (high public) pension schemes boost against non-pension transfers, high shadow/underground economy, clientelism – all typical characteristics of the Southern European profile – are present (Petmesidou, 2013). Attempting to classify SE welfare regimes it could be argued that income maintenance falls closer to the Conservative-corporatist type, while lacking the respective level of labour decommodification. The latter is strongly affected by the clash of conservative and liberal forces. Housing welfare regimes in SE are a different story though, with the four countries forming a distinct group (Allen, 2006). Recent changes under the

GFC and SE countries sovereign debts have pushed things toward privatization of public organizations and health care, and weakening of pension schemes, moving the welfare regime towards liberal, with the form and scale of the 'Safety net' still being contested and negotiated. It is true that the still ongoing Greek sovereign debt crisis has altered the socio-political and financial landscape. This was mainly due to a radical cut in public expenses and an austerity-driven state mechanism reconfiguration. Missing the previous decades' financial resources rent-seeking and clientelistic practices/arrangements cannot be fuelled, leaving public and private actors in a new bargaining environment where state resources have a far smaller role and cease being an incentive. Moreover, family/household finances have for many years been based on public (secure) sector employment anchoring. At least one family member had to be in the public sector to ensure a level of security in family's welfare. With the new developments and a drastically reduced public sector where older public servants are sacked and young people have no chance of entering, the old 'Social Contract' is critically unstable. Changes in 'terms' will lead to new demands, negotiations and coalitions. A strong example is the tolerance for public sector opacity as a key element of the old 'self-sustaining' system which is now seriously targeted. Support for a strong welfare state persists and egalitarian ideology clearly prevails despite the perception of an actually imbalanced society (Ferreira, 2009). Even more, citizens' demand for welfare provision are now rising (Petmesidou, 2013) leading a 'weak' Greek state baffled and overloaded.

The role of the family in welfare provision (housing, health care, child care, financial aid, food etc.) is still dominant as the socio-economical conditions have not allowed any changes. What has changed is the financial capacity of existing families (extended network) to support young members and the subsequent hesitance and drop in new families' formation. A new cadre of combined high youth unemployment, immature financial markets, 'weak states', social insecurity, increased real estate property taxation etc. is bound to deeply affect new and existing families resources, formation and overall welfare capacity. These new developments are expected to have dire effects on new families. Young people having the 'benefit' of parental aid will be bound for an extended period to the parental home obliged to give up on their dreams and personal aspirations. Those without the means to parental aid will be left social excluded (Gkartzios, 2013).

Homeownership constitutes a key element in family-led welfare self-provision both as an investment but most significantly as a service (accommodation). Moreover, the house is a hub of family-provided welfare (elderly and child care, financial aid, food etc.). according to Hoekstra (2005) homeownership in Greece and the rest of the SE truly yields to the ‘trade-off’ thesis (Hoekstra, 2005) albeit with serious doubts and debatable arguments on the voluntary nature of this situation. In SE the family-owned house is central to state-market-family mixed welfare provision. Family self-provision of welfare through assets is highly exposed and hit but financial crises (Roland & Doling, 2010). Supporting housing and/or family policies were at best weak even before the GFC despite the family being the main welfare pole (Petmesidou, 2013).

State’s social support was restricted to homeownership promotion in a mostly passive fashion while a social rented sector has never been present or supported. Social housing and policy are generally weakly financed by the SE states (Gibb, 2002). In Greece, The recently abolished Organization of Workers Home was the sole provider of housing with resources built by through workers income contribution. Homeownership was passed to beneficiaries through favourable repayment options and terms. State’s role was limited to providing the regulatory framework for these people along with a highly segmented and therefore doubted taxation policy. Even recently delivered housing units – while being of high standards – lack basic infrastructure support clearly demonstrating state negligence. For self-provision of housing state role was characterized by segmented favourable taxation, non-implementation of regulation for illegal/informal housing and general tolerance for shadow economy. This was a part of a wider socio-political philosophy that served its clientelistic purposes stemming from but also nurturing a socio-political ideology in vicious-cycle fashion where home ownership-occupation was a basic element – if not a prerequisite. Canonically, establishing a home through house-ownership is something sacred for the Greek society and therefore is not strange that any attempts to financially or otherwise offend such a property face serious opposition.

Ronald (2007) says that in familialist societies where family has the first – if not the only – role an individualistic ideology may be apparent but not true, and solely based on market and individual consumption in housing. In fact a collectivist societal orientation may be observed. Ronald’s study considered East-Asia but this point can be made also for Greece and supported by the increased demand for a wider welfare state mentioned earlier.

Considering welfare state weakness in SE countries, homeownership is in fact a reasonable choice also for future risk-avoidance. However, housing market volatile nature seriously exposes families to financial hardship in absence of a welfare safety net in times of housing-property market bust (Ronald, 2007; Malpass, 2008). Under these considerations it is deeply debatable whether homeownership is a result of societal aspirations leading to a voluntary ‘trade-off’ or the result of social ‘survival’ instincts due to an historically weak and untrustworthy welfare state.

Allen (2006) notes that homeownership was also a result of an agricultural collapse and subsequent non industrialization-led urbanization where people carried rural homeownership habits/traditions. This should not be regarded as a tacit acceptance of a ‘trade-off’ between homeownership and a developed welfare state. It can be understood as an existing homeownership momentum not having a viable (rental) alternative and trying to adapt to the an open and unplanned urban landscape. Welfare state aspirations were ‘quenched’ through clientelistic and rent-seeking ‘gifts’ leading to an unsustainable socio-political and eventually financial dead-end. Petmesidou (2013) notes the current financial crisis constitutes an historical turning point for the Greek and Southern European social welfare. However, a Universalist welfare system can hardly be expected as the neo-liberal forces combined with heavy austerity measures and an incapacitated middle-class, which could theoretically press towards such a direction, seem to dominate the political and financial scene. This is similar in the rest of Southern Europe (Arbaci, 2008).

5.4.2 Housing Market, Finance and Provision

Considering housing market, capital flow is weak and generally underdeveloped with most of the burden falling on the shoulders of families/households to secure the financial resources for housing acquisition²⁰. Self-build, intra-family support and inheritance/heritage are central to new families securing the much needed Homeownership. Mortgages are limited in size and number. In the Southern European context investment (capital) and service (accommodation) functions are familialised due to the mortgage market insufficiency and a group of socially non-supportive governments (Norris

²⁰ Late urbanization, little housing stock damage during the WWII, agrarian/home-owner past, aversion for ‘communist’ routes, late or no industrialization, agrarian-driven urbanization among other led to a minimal need for Social rented sector and a different historical path from Northern Europe (Allen, 2006)

& Domanski, 2009; Fahey & Norris, 2011). Market investment expansion in some SE countries has exerted a shrinking force on family-led housing solutions. Nevertheless, Greece along with Italy does not follow this trend for the moment (Norris & Domanski, 2009).

Regarding housing as an investment tool (capital) situation in Greece is a bit confusing as the distinction between housing as a service (accommodation) and as a wealth accumulation vehicle is a bit blurred. Many households/families – especially in past decades – opted for investing in their own house primarily to secure accommodation but also as a money saving tool. This was also and especially the case with shadow economy profits being siphoned to – mainly informal/illegal – housing. With time housing assets become more and more inflexible as capital due to many reasons. Sentimental ties with patrimony, problems in disposing of or normalizing informal housing, housing market volatility and uneven demand, General mentality of residential immobility are some of the named reasons. In reality housing assets – even secondary ones – have ended up being part of a wide asset-rich income-poor property serving mainly accommodation needs including leisure ones. Despite the fact that until recently housing has been considered a property element not-to-be-touched unless it was for a serious welfare issue or a trade-up, the situation has started to gradually change. Heavy direct and indirect real estate taxation, rolling back of Home-ownership tax and other benefits, income hardship and an unfriendly urban built environment have affected widespread home-ownership perspectives of the Greeks. Most people have now started looking for ways to release their assets' equity entering a more business-like mentality. Now lost investment opportunities and unused (housing) assets are conceived as an income loss rather than 'a possible backup'. Nevertheless, it is hard to say whether this change of heart will eventually pay-off as for the time being real estate sector in Greece is in a deep slumber and those liquidating are subject to significant loss compared to the past inflated asset prices. The past situation is in agreement with Fahey & Norris' (2011) view on home-ownership inefficiencies linked to asset underuse (larger secondary/tertiary), leading to asset-rich and income-poor households losing potential profit. Van Gent's (2010) study on Spain has demonstrated the family asset-based welfare limits regarding housing market profit and conflicts with an inclusionary social policy based on accessibility and affordability.

5.4.3 Tenure Structure and Housing Conditions

Home-ownership is the dominant tenure in Southern Europe and is not expected to change as once countries have gone down this path it is hard to turn back (Doling & Horsewood, 2005). In Greece social rented sector is almost non-existent and the private rented sector is considered to be a residual and temporary solution. Owned-houses' spatial dispersion is almost equally divided between detached single-family houses and apartments. The vast majority of the former are owned rather than rented in South European countries. In contrast to the rest of EU in Greece, Portugal, Spain and Belgium the condition of the apartments is better than those in single-family detached houses (Hoekstra, 2005). This may be a result of high ownership of apartments and consequent better maintenance. Size does not significantly differ between the two unlike the rest of EU where single-family houses are larger. Moving from there, user housing condition satisfaction is higher in apartment-users. The avoidance of detached housing can be attributed to a number of other factors like underdevelopment of the rural areas regarding employment, networks, infrastructure welfare etc. (Hoekstra, 2005). However, Hoekstra's statistical data are somewhat old. Back then he wondered whether South European recent sub-urbanization will lead to preference for detached single-family dwellings, also pondering on lagging urbanization and industrialization factors Donnison in his convergence theories had presented (section 2.6). Well, the now recent changes surely support a high expectance for counter-urbanization. May the reasons not fit the Donnison convergence theory and may such a convergence never come regarding de-urbanization, but GFC and the Greek sovereign debt crisis have kick-started a counter-urbanization wave which is expected to grow (Gkartzios, 2013).

As the Greek urban areas are heavily hit by unemployment and general market deterioration under the non-protection of a 'weak/ghost' welfare state, people are expected to flee the metropolitan areas and search alternatives in the periphery and rural areas. This is supported by the extended family network links to the rural/suburban areas and the family-led welfare possibilities they carry (Gkartzios, 2013). Moreover, the existence of secondary or even tertiary housing owned in these areas²¹ - as an asset going to waste - make such a decision easier or in some cases motivated it as housing costs are now far elevated and income radically reduced or inexistent. Such a movement may be slowed down by the Greek housing market recession rending the equity release of the urban assets

²¹ Mainly due to older generations' roots in rural or non-metropolitan areas

far more difficult and unprofitable. In no case should this counter-urbanization movement be considered an outcome of a wide-spread pro-rural mentality shift or necessarily a voluntary choice whatsoever. Often it is not even related to a return in an agricultural way of life (Gkartzios, 2013). It is more the result of seeking for a viable socio-economical adaptation to the new-age requirements have a lot to do with potential opportunities away from the city and a clear insufficiency of the current welfare state services which are also expected to decrease or weaken. Gkartzios (2013) concludes that such a trend should be examined as a significant one in the familialist South European context.

Norris & Domanski (2009) note that the housing outcomes in Greece, UK and some of the EU new member states are below the expected quality given the proportion of GDP going to public spending²². Public spending is mix of direct involvement or subsidies to third parties for provision and costs for construction and building standards regulations. In the eastern European housing market and SE groups, countries fitting the Dualist model outcomes regarding tenants are low (Norris & Domanski, 2009). However, Greece does not fit this model as social rental sector is practically inexistent.

Meagre social housing sectors in Southern Europe (Hoekstra, 2005) hinder any effort to improve housing conditions. State private rent control drives things to a worse direction as landlords are tempted to run-down their assets rather than maintaining or even improving them (Norris & Domanski, 2009). In general, the South European social sector is linked to social exclusion and socio-spatially stigmatized as a result of dominant home owner-occupation also linked to wider socio-spatial segregation and exclusion issues. The rental system in SE follows fits the Dualist model with residualised social rented sector – where existent – and promoted home-ownership (Arbaci, 2008). Allen (2006) attributed the rudimentary or inexistent social rented sector in SE to the lack of a Fordist phase in these countries' evolutionary paths along with the capacity of the extended family within the wider welfare system able to promote owner-occupation by gathering and siphoning resources to such a cause. While Fordism is not necessarily leading to social rented sector development, its absence or underdevelopments seems to be tightly tied to a meagre social housing sector. Overall, the rental sector in Greece seems more of a temporary solution mainly for young mobile people, and certainly not lifetime tenure. Like in the rest of SE the private rented sector is underdeveloped (Arbaci, 2008).

²² Older data between 2000 and 2003

5.5 Evolution of the Greek Housing System

5.5.1 Ideological Basis and Evolution

According to the Greek Constitution (Art. 21, Par. 4) acquisition of residence for those being without or insufficiently housed, constitutes object of special care for the state. There are other countries where the state is declared responsible for covering housing needs but this is not identified with *acquisition* of housing. For example the Spanish Constitution declares that all Spanish people have right to enjoy a decent and adequate housing, the conditions and norms for which the public authorities are responsible to promote (*Constitución Española, Artículo 47*). Likewise, the Portuguese Constitution in article 65 (*Artigo 65*) establishes the right to housing to housing of adequate dimensions (*dimensão adequada*). In this case state responsibilities are declared in far more detail and are therefore binding (Art. 65, par. 2-5). In the case of Greece, Sapounakis (2013) notes that there has been no policy to serve such a strong promise. Therefore, this vague declaration can hardly be considered something more than a 'constitutional wish', lacking legal basis (TENLAW, Greece). Nevertheless, such specific *constitutional provision* has certainly affected the Greek housing policy and system, over the years.

Workers' Housing Organization (OEK) was the sole institution to consistently provide its beneficiaries with housing. OEK was abolished in 2012 as result of the Greek financial crisis, after more than 60 years of service. That said housing provided was not 'social' or 'public' housing in the classic term, as it regarded beneficiaries with verified employment, rather than poor homeless people. TenLaw report (Greece) refers to 'people's housing' as a more suitable term, as 'public' or 'social' housing are not even known terms in the Greek legal system. Apart from its comparatively limited volume of directly constructed housing units, OEK provided subsidized loans to acquire, build or repair primary residences, and rent allowances. Regardless of its targeting, OEK could be at best labelled as a 'quasi-public' organization, as its funding came directly from employers and employees financial contributions, rather than public funds. The abolishment of OEK made clear that housing policy is uncoupled with the Greek welfare state and housing not prioritized in social expenditure (TenLaw, Greece). Due to lack of structured housing policy EU-wide policies are hard to influence the Greek housing system (*ibid.*).

Homeownership has historically been the dominant tenure in Greece, differing from the southern European cluster where homeownership rose as a result of shift in relevant housing policies, and gradual reduction of the rental sector (Maloutas *et al.*, 2006; DeWilde, 2015a). Greek urbanization was the result of intense rural-to-urban migration which was however not related to industrialization post-War (Maloutas, 2004). Family functioned for many decades as catalyst in such urbanization and provision of housing, with the state being withdrawn allowing households to form their own housing strategy. This allowed a kind-of self-regulation and the housing system covering acute housing needs post-War *en large*, with close to zero public expenditure on housing, within an overall limited welfare state (Maloutas *et al.* 2006). More than that, housing construction greatly contributed to financial growth of the Greek state after World War II. This was one of the reasons the Greek state let housing irregularities unchecked, along with the fact that plots were legally owned and not squatting (Sapounakis, 2013). Family was major player in housing provision post-War as well as hedge against a weak welfare state. Long-lasting tolerance towards housing illegalities and informalities for the sake of covering housing needs, made people *de facto* ‘accomplices’ of such a system, consequently fuelling individualistic mentalities (Maloutas, 2003; Maloutas *et al.* 2006).

Historically high homeownership rates functioned as a quantitative indicator of housing sufficiency and an excuse for the state to keep on being inactive (Sapounakis, 2013). Greek state never developed structured housing policy over the years, which led and allowed a *de facto* housing system and policy to be developed (TenLaw, Greece). During the Greek housing system evolution the rental sector never grew significantly so as to have some notable impact. Even though it cannot be deemed as marginal, in terms of percentages, the rental sector historically had a limited role as transitional tenure for those outside homeownership, or groups like students and mobile employees. The rental sector has not been promoted as an attractive alternative in an otherwise homeownership-inclined society. On the other hand there is no clear indication tenant protection has been historically weak. In a fairly recent OECD (2011) comparative report Greece ranked mid-tier in rent control and top-tier in tenant-landlord regulation in the private market. Due to lack of social housing, renting was highly commodified as directly dependent on income and employment stability, which have historically proved precarious in Greece.

5.5.2 *Modern Trends*

Delfani *et al.* (2014) classified Greece as having a combination of precommodified housing with decommodified pension system. Precommodified housing is characterized by immature mortgage markets, familialist housing provision, weak investment perspectives and overarching outright homeownership. Following up on their analysis and considering current trends in severely increasing housing costs, it can be argued that Greek housing system is moving away from pre-commodification and towards an increasingly commodified state. This is mainly the result of heavy taxation pushing large part of the stock into the market at low prices, while dependence on employment to cover for high housing costs is gradually rising. Maloutas (2008) underlines the gradual dominance of the market over self-help housing, and commodification of housing since 1970 due to income-based lending schemes. Vatavali & Siatitsa (2013), note that housing is now unaffordable compared to past decades, as a result of gradual commercialization of housing production.

Today family still remains central in household housing strategies but stronger in lower social strata, with some signs of mode and level distortion in upper incomes (Maloutas *et al.* 2006; Maloutas, 2008). In the Greek family-based system of social arrangements and its effects on housing and welfare self-provision, residential mobility remains limited (Maloutas, 2004), even among renters (Maloutas, 2008). Papatheodorou (2009) argues that the Greek state has historically accommodated familialist self-regulation especially as a means to make up for an insufficient welfare state (also Maloutas, 2008).

Familialist housing provision and self-building were major factors related to the limited role of mortgage lending pre-1995 (Maloutas *et al.* 2006). Earley (2004) notes that in the Greek culture familialist mentalities like dowry echoed strongly until recently, and have kept the need for extended mortgage lending low. Mortgage lending remained limited until 1995 when it started growing slowly coming to an abrupt halt due to the global financial crisis hitting the Greek market around 2008. During the 1994-2001 housing prices rose (Boelhouwer *et al.* 2005), which cannot be in the long-term attributed to expansion of mortgage lending, without considering other macroeconomic variables. Even though a inter-dependence can be argued, no causality link can be established between the two (Brissimis & Vlassopoulos, 2009; ECB, 2009). The Greek housing market has plunged since 2008 as an effect of the financial crisis hitting a system with oversupply of housing units.

Major issues with the Greek housing system relate to affordability of housing for existing homeowners, access for first-time buyers and (lack of) national housing policy, also regarding renters. Housing costs have significantly increased during the last decade in Greece and especially amidst the financial crisis. This does not solely concern mortgaged homeowners who - are not the majority, but also outright homeowners. All homeowners have been significantly burdened by radical increase in recurrent property taxation very much affecting owned housing assets. Apart from that taxation on property transactions have been comparatively high since before the financial crisis, making access to housing harder for first time buyers (Earley, 2004; ECB, 2009; OECD, 2011; Mitrakos & Akatzilotou, 2012), but also residential mobility (OECD, 2011). Assessing the link between homeownership and fertility, Mulder & Billari (2010) classified Greece as belonging to the '*difficult homeownership regime*', with hindered access to the housing market. Typical characteristics of this typology include high homeownership, high transaction costs, 'forced' housing familialism, low access to mortgage lending, and marginal rental sector. Stock quality and maintenance issues do not appear to be a pronounced issue, although generalization of such a statement would miss micro-level variations and particularities. Admittedly, lack of social mass-housing stock from previous eras has spared the urban landscape from phenomena of physical asset degradation.

5.5.3 Greek VoRC and Institutional configuration

According to Schwartz & Seabrooke's (2008) VoRC typology Greece falls within the familialism model with high rates of home-ownership, owner-occupation and deviation from the mortgage debt to GDP ratio EU average (Hypostat, 2013). Extended family's role remains extremely strong in housing provision and intergenerational asset transfer, despite the GFC severely affecting familial resources. Homeownership has always been considered a social right with the rented sector being limited and underdeveloped. Tax resistance is strong and the foreclosure liability of primary housing is and will remain a persistent socio-political issue.

As housing is a welfare state substitute, a large part of the population turned to mortgage lending, especially those anchored to - until recently - 'secure public sector' employment. Banks seemed rather willing to provide mortgage loans especially to those having a steady

public sector income, in very high Debt to Income ratio based on the residential assets' values. This situation created some kind of housing bubbles with residential properties' market values surpassing their actual value. The financial crisis - among others - saw this quasi-bubble busting leaving people with assets now severely depreciated and many of them not even covering for the remainder of the loan.

Institutional Particularities

Rhodes (2005) analysis indicates that when institutional reform is proven difficult, this may lead to opportunities for wider compromises and agreements as a result of less/weaker polarization between socio-economic coalitions. Towards a similar direction Wolfram & Torstner (2009) note that small countries may actually more easily become adaptable, learning, trust-building and cooperation opportunities. Regardless, this will have to be backed up by an appropriate institutional framework.

The Greek institutional system presents some issues regarding complementarities and general policy implementation. Under the EU integration and in combination with the GFC effects on institutional inertia change is incrementally taking place but more in an institutional layering fashion rather than radical change. Psychogios *et al.* (2013) expect that under the GFC pressures the Greek institutional system will follow a distinct path.

The state's heavily protective stance has been used as an alternative to structuring an effective welfare mechanism. Higher import-export tariffs, burdening labour laws etc. were considered easier to implement and gather necessary revenue for the state rather than a more active policy through direct taxation and or welfare state provisions. In general, a 'passive'-protective--regulatory-low cost approach was promoted in the place of an 'aggressive'-proactive-costly one. Such a stance is a lot responsible for keep the market underdeveloped favouring tax evasion and underground economy.

Zambarlounkou (2006) expects stronger and wider resistance to institutional change where institutional 'ways of doing things' are accepted and supported by the society. This fits the institutional inertia theory analyzed in Chapter 2. Triantidis (2013) concludes that clientelism in some political and socio-economic spheres is so deeply rooted that turns out to be authoritarian. Citizens with the will to denounce or avoid clientelistic practices may in

practice not having an alternative choice in doing things otherwise, or the resources to follow another path as the dominant party monopolizes them. It should be noted that Greek society's perceptions and mentality are gradually changing accelerated by the GFC socio-economic and political complications. Past solutions seem to have failed and so the path-dependency is incrementally approaching a breaking point (Zambarloukou, 2006). This may indicate we are entering a new discursive era on institutional evolution.

5.6 Housing Systems in 'Weak' States

5.6.1 Theoretical framework

When discussing housing systems and the role of the state, one should consider any relevant 'weak' state theory. This is especially true for the Southern and Eastern European countries, affecting the way housing systems were formed and their expected evolution. As a kind of rough definition, we could argue that 'weak' is a state bearing two basic incapacities. *Firstly*, an exogenous incapacity to become a strong player on an international level by living up to the expectations, modernizing its methods and staying strong under the pressure of external challenges on every level (political, supra-macroeconomic, cultural). *Secondly*, an endogenous one to build and retain a strong, thick, modern and autonomous state mechanism through constant introspection and self-critique, rendering it resistant to clientelism or other kinds of manipulative pressure.

The '*weak*' state appears unable to form passive protection strategies and in parallel be active and especially pro-active. Lacking the necessary internal supportive structures and under the simultaneous top-down (exogenous) and bottom-up (endogenous) pressures of interest groups, it gradually loosens its control over some socio-economical fields, eventually being *de facto* substituted by other actors. Housing in Southern Europe has mainly been developed within a withdrawn 'weak' state regarding housing provision and necessary policy-making, especially in its second incapacity ('withdrawal'). Allen (2006) expands this to the overall welfare state being subject to manipulation ('squeezed'). The latter has to do with the unwillingness - due to hesitation, fear or intention - to reform and raise the necessary power to resist pressures (Sotiropoulos, 2004). Additionally an exposed state mechanism will hardly manage to equally and universally cover housing needs when

it fails to identify those truly in need of support according to their true income. This is also related also underground economy, and persistent anti-tax evasion scheming.

Generally speaking, a state's true independency lies in its capacity to build or restore its stateness on its own with minimum or zero - if possible - external intervention. This self-building of the state helps solve legitimacy doubt issues with the citizens (Fukuyama, 2005). Fukuyama's theory can be translated and related to the double deficit of stateness in Greece and Bulgaria, and the state's power weakening. The reliance on supranational intervention (EU, IMF etc.) is tied to loss of sovereignty and to ambiguous results. This reliance - albeit further promoted due to the financial crisis - is a direct result of deeper and long-term structural deficiencies and a repeated failure to reform the state mechanisms.

Møller & Skaaning's (2011) analysis further reinforces and expands Allen's (et al. 2004; 2006) theory of double deficit of stateness. Indeed, the state's incapacity to hold the rule of law strong (clientelism, nepotism, patronage etc.) strong and secure/provide equal social rights signifies a strong deficit. Inability to strengthen and thicken stateness leads to dependence on internal interest groups if policies and/or social rights provision are left totally or mainly to them. For example, in Greek housing system, family -and its extended network- has been left to cope with housing needs and problems along with a series of other actors²³ (illegal/informal constructors, corrupt or clientelistic public servants etc). However, such a short-term "easy" solution left the state exposed and weak to reform and adapt mainly due to the following reason. Inability to cover welfare needs lead to intentional state tolerance and this is perceived as a kind of "clientelism" based on the following conception: "Instead of state aid, tolerance is informally offered. Thus tolerance *de facto* becomes the Aid". More 'freedom' to act is somehow buying the governments political time in exchange for citizens' tolerance of an inefficient state mechanism. Tolerance could not be levied in retrospect as it would shake this tacit social contract and create socio-political upheaval

Clientelism, an important catalyst of the 'weak' state, favours some over others thus promoting fragmented, non-rational, unsustainable policies. Extremely complex (often imperfect) and discretionary administrative systems and legislation reinforce and help establish clientelistic practices (Lovell, 2005; Papadoulis, 2006; Michas, 2011), which in turn affect policy-making. An example of inability to conceive, realise and implement

²³ See 'Public Action' theory analyzed later on this chapter

proper town-planning policies is the existence of extended areas of illegal housing in South Eastern Europe (Allen et al. 2004; Allen, 2006). In the same sense horizontal organization of interests is severely hindered rendering formation and implementation of town planning policies troublesome (*ibid*; Hallin & Papathanassopoulos, 2002; Sotiropoulos, 2007).

Extended housing needs during periods of intensified urbanization were met through cheap land acquisition for housing self-development without any significant pressure on meaningful and timely contribution to urban development costs and with the aid of formal/legal and/or informal/illegal practices (Allen et al. 2004; Minetos, Polyzos & Sdrollias, 2007; Anastassiadis & Tsoukala, 2009). This has been seen as an indirect way to housing affordability (Potsiou & Ioannidis, 2006; Minetos, Polyzos & Sdrollias, 2007) through a loose system allowing for the households to have a greater control over their resources. While covering the minimum housing needs was the main reason behind the boost of informal housing, the trend still stays strong despite the initial reason no longer being the case, due to poor monitoring, insufficient housing market development and corruption-clientelism among other reasons (Polyzos & Minetos, 2009). Informal housing has been transformed from a necessity solution to a speculation act away from peri-urban areas and close to leisure areas of environmental and/or touristic value. Nevertheless the phenomenon is not uniform all over the country and there is a difference between informal housing of low-income families spread chaotically everywhere and of those seeking speculative gains from secondary-leisure housing in coastal areas (*ibid*). Informal settlements came as a result of absent housing policy-also in non-urban secondary housing areas, lack of affordable housing financing, poor and outdated public administration, insufficient spatial planning, complex and outdated legislation and bureaucracy, weak state initiative, speculative construction (Potsiou & Ioannidis, 2006). During periods of intense urbanization housing provision practically happened without the state's presence and contribution and outside the mainstream underdeveloped housing market (Potsiou & Ioannidis, 2006; Minetos, Polyzos & Sdrollias, 2007; Anastassiadis & Tsoukala, 2009; Polyzos & Minetos, 2009). Formal/informal and legal/illegal self-promotion and interlocking networks of non-state actors (families, small owners, small builders) were called to cover the housing needs (Allen *et al.* 2004; Allen, 2006). As people migrating to urban and peri-urban areas were mostly from an agricultural background they brought with them and applied respective self-promoting housing methods. Another factor which

affected the creation and intensification of such semi or non-marketised housing systems is the strong link of the urban migrants to the construction industry as their first job. The above were sealed by a weak land control, planning and construction state mechanism.

Underground economy is by-product and reinforcing factor of the 'weak' state, boosting investment trends in housing. This has been especially true during past decades as a means to secure earned shadow income. Housing has historically been produced in a market working largely with undeclared income money. So, home-ownership is relevant to income redistribution over the life-cycle and with the black market's operation (Allen *et al.*, 2004; Allen, 2006). Another basic issue is the housing finance system which was left behind and is still severely lagging. The informal routes followed to self-provision of housing gave no serious reason for the banking system to adjust and offer financing solutions, especially with the lack of interest from the state to set things on a formal route at some point in time. On the other hand, families got used to this somehow flexible system and outbalanced the lack of financing otherwise (e.g. mobilizing network resources through solidarity).

The way the construction industry followed was strongly affected by the self-provision of housing along with its particularities. A large number of small often unregistered/black market firms or legitimate firms with major black market building activities have thrived through this system. The underground style of development forced to seek maximizing the profits from every single piece of land than create healthy building businesses based on productivity and large-scale projects.

The land control approach followed for covering housing needs in Southern Europe seems a somehow *laissez-faire* system leaving the family (and its networks) to deal with such issues thus pushing it to act accordingly. The promotion of such an approach was realized through formal indirect influence via decisions of action (tax and urban development costs exemptions), or inaction (overlooking land regulations, loosening controls etc.); and informally via clientelistic practices. This led to the existence and development of the family as a housing production actor along with the state and the market (Mandic & Cirman, 2012; Allen *et al.*, 2004; Allen, 2006). Their path however was not always converging but parallel. Family strategies had in many cases nothing or little to do with state policies thus existing and growing on a totally different level.

On a theoretical level, 'Public Action' approach focuses on assessing the state's role under a different prism. The existing theories and concepts about state's role in housing are unsatisfactorily covering comparative studies' goals. The state has been seen as a manager of conflicting interests, overall promoter of society's welfare, subject to capitalism development, corrector of market's imperfections, product of political ideologies and cultural norms (Allen *et al.*, 2004; Ball & Harloe 1992; Kemeny 1995; King 1996). Considering the state and the market as static and ignoring the institutions enabling their in-between relationships and interactions leads to un-based generalizations. 'Public Action' concept considers the 'civil society-family-market' triangle as more appropriate to categorize, analyze and compare states.

Bulgarian state functioning presents some serious challenges including political instability, clientelistic elements, *laissez-faire* planning disregarding national idiosyncrasies, lacklustre efficiency and improvement, tax evasion (Buckley & Tsenkova, 2003; Tsenkova, 2003; Tsygankov, 2007; Kopecky & Spirova, 2011; Sýkora & Bouzarovski, 2012; Basora, 2013). From a bottom-up perspective a comparatively weak civil society (Hirt, 2005; Csizmadý, 2011; Smigiel & Brade, 2011), tax evasion mentality (Pichler-Milanovich, 2001; Tsenkova, 2007), government and law distrust (Torgler, 2012) do not promote the improvement of the 'weak' state.

5.7 Conclusion

Bulgaria and Greece stand as interesting cases within their country-groups regarding the configuration of their housing systems. Bulgaria can be deemed as having had a common starting point with other countries of the region, focused on the Socialist way of state organization. However, Bulgaria started treading on a divergent housing evolutionary path notably early, and far earlier than most other socialist countries. Greece on the other hand, had no such common socio-political starting point with the rest of the Southern Europe. Geographical proximity along with an agrarian past do not suffice as arguments of similarity and clustering.

Focusing on the most important similarities and differences between Bulgaria and Greece, as shown in this chapter the following points emerge. In both countries homeownership

rose early post-war as a means to promptly cover for housing welfare needs, but in a different way. In Bulgaria it was the result of direct state involvement in housing production, and the means to support rapid urbanization needs. In Greece homeownership thrived as the result of favourable statutory framework allowing the effective collaboration of the family with the construction sector, and the self-regulation of the housing market. Homeownership was not linked to industrialization but radical internal migration waves. As a result of historical dominance of owner-occupation and the lack of boosting catalysts the private rental sector soon gained and retained a marginal role in the housing market, even though rates are comparably higher in Greece.

Through widespread outright homeownership, housing historically remained rather decommodified and non-marketable in both countries. Linked to that is the immaturity of the Bulgarian and Greek housing markets, along with the fact that neither country developed 'social housing' and housing policy in terms of the western welfare states. Public housing was either insignificant (BG) or practically inexistent (GR), indicating that outright homeownership was a tool of 'housing welfare'. The socialist state included housing welfare for all citizens among their promises, while in Greece housing acquisition remains a constitutional obligation of the state. As a central sociocultural element of the 'Social Contract' homeownership has been a catalyst in helping contain social upheaval in both countries' turbulent socio-political and financial past.

Although variably, there are with clear signs of housing pre-commodification since c. 1995. This is mainly the result of both states gradually reducing their statutory protectionism and financing post-1990, while housing became more exposed to marketization like the expansion of mortgage lending. Post-1990 housing became radically less accessible for lower incomes and outsiders, Existing owners had to self-provide for their family members housing needs becoming gradually more exposed to housing costs and bank loans. Housing familialism was reinforced in both countries as the result of welfare state insufficiency, even though this has been historically more intense in Greece pre-1990. Lastly, housing policy remained notably fragmented during all eras and unable to actively cover housing needs. It has also proved lacklustre in dealing with severe housing problems like stock condition, vacancies, construction informalities etc.

The analysis in this chapter has been based on the main body of existing literature dedicated to the case studies at hand, setting a solid theoretical basis. The focus was on the details regarding the Bulgarian and Greek housing systems, also within their wider geographic and socio-political context. This basis will be later compared to and combined with the research findings presented and discussed in the following chapter.

Chapter 6 – Case Studies Data Analysis

6.1 Introduction: Approach of the analysis

Having elaborated on the background of the selected case studies through the available literature, it is now necessary to present the results of the secondary and primary data analysis. The scope of this approach is to outline the framework describing the current housing 'reality' (secondary data part), and later explore, analyze and explain reason, dynamics and opinions (primary data analysis). Following the research design described in Chapter 4, secondary data are being presented and discussed first, despite their supportive role. This is to serve two different aims. On the one hand there is a number of indicators that need to be approached through quantitative data and properly analyzed (*see* Table 4.1). On the other hand, it makes easier to understand the qualitative data analysis in respect to the wider context to housing outcomes as depicted and recorded in existing statistics. Graphs produced and data discussed have been based on Eurostat EU-SILC²⁴, Census²⁵ and HYPOSTAT²⁶ databases for reasons explained in Chapter 4 mainly related to *utility*, *availability* and *reliability*. Some graphs have been produced using the Eurobarometer²⁷ data regarding people's opinion on housing. The presentation and analysis of statistical data focuses on the selected case studies, but also within their wider context. So apart from Bulgaria and Greece, other countries included are: Romania, Serbia (when data available) from the Southeastern European Group, and Italy, Spain and Portugal from the Southern European group. Other European countries included are: France, Germany and UK as countries representing distinctive housing systems, very often present in housing studies, and therefore useful for comparative reasons. Lastly, EU-28/EU-27/EU-19 rates are also presented where available in order to visually position Bulgarian and Greece respective to European averages.

The second major section of this chapter is dedicated to the interpretation and analysis of the interview findings from the interviews with the housing experts and people-citizens in Bulgaria and Greece. The analysis of the interview findings of the two groups i.e. housing experts and people has been kept separated for a number of reasons. The nature of the

²⁴ <http://ec.europa.eu/eurostat/web/income-and-living-conditions/data/database>

²⁵ <http://ec.europa.eu/eurostat/web/population-and-housing-census/census-data/database> and

²⁶ Hypostat 2016 Report at <http://www.hypo.org/Content/Default.asp?PageID=524>

²⁷ <http://ec.europa.eu/COMMFrontOffice/publicopinion/index.cfm/Chart/index>

findings proved to be differentiated as initially expected. Housing specialists were able to provide information in a more structured way, as a result of rigorous occupation in the field, albeit each one from their own unique perspective. The info provided, even though not always or majorly divergent from their work or the mainstream literature review, provided a solid conceptualization in a coherent manner an often fragmented mosaic of relevant ideas. Figures produced visualize the connections emerged. It can be argued that Housing Experts interviews provided a much needed relevance of the literature reviewed.

On the other hand, interviews with Bulgarian and Greek people were overall more chaotic in their development, and emotionally charged in some topics. The analysis of people interviews offered a more 'qualitative' point-of-view regarding targeted topics, even though some of them had to do with strictly quantitative issues like size of dwelling, mortgage loans etc. This allowed a complementary synergy both with the Housing Experts interviews and the analysis of secondary statistical data of the first chapter section. The chapter concludes with a combination of interviews and secondary data analysis findings.

6.2 Statistical Data Presentation and Analysis

The first major section of this chapter is dedicated to the analysis of the available statistical data. As discussed in chapter 4, this is directly related to the research methodology. More specifically, the available data will be used to comparatively assess housing outcomes in an absolute and relative manner to detect over and under-performance. Research Objective 1 and Research Question 1 are dependent on this analysis, for a quantitative and qualitative assessment. Hypothesis A is also dependent on housing market dynamics and housing property taxation changes, which are discussed in this chapter. Adopting a utilitarian framework, housing outcomes are discussed both in terms of quantity and quality. Not least, the statistical data are expected to reveal deviations from theorized country groupings.

In most comparative tables and figures Except Bulgaria (BG) and Greece (GR) other countries used are Romania (RO), Italy (IT), Spain (ES) and Portugal (PT) as their 'cohorts' in most typologies. I have also included Germany (DE) and France (FR) as main representative of the central European welfare regimes. The United Kingdom (UK), and the Corporatist Sweden (SE) and Austria (AT), have also been included as relevant. Austria for

example presents similarities in high homeownership and housing familialism. Where there are data available, Serbia (RS) has been included as a close fit to Bulgaria and Romania (Southeastern European group). The following table shows the connection of selected housing indicators to research objectives (ROs), questions (RQs) and hypotheses as set in chapter 4.

Housing Indicators	ROs	RQs	Hypotheses
Housing tenure mix	1	1, 3&4	A & B
Stock Condition, volume, size, age and occupancy	1	1 & 4	A & B
Financial burden of housing costs- overburden, % to disposable income , Arrears on mortgage/rent payments etc.)	1	1 & 4	A
Property taxation	1 & 2	3 & 4	A & B
Outstanding residential loans to GDP	-	-	A
Housing market indices (supply, transactions, prices etc.)	1	-	A
Overcrowding per tenure	1 & 3	3 & 4	-
Social mobility per tenure	1 & 3	4	-
Severe Housing deprivation	1	1 & 4	-
Public opinion on housing affordability	1	1 & 4	B
Public opinion on housing as an issue	1	4	B

Table 6.1 - Link of the selected housing indicators with the research design

6.2.1 Housing Tenure Structure

As already discussed repeatedly homeownership-bound tenure structure is characteristic of the Bulgarian and Greek housing system and the wider Southern and Southeastern European regions. Labelling systems solely based on their current tenure structure can be significantly flawed, as this cannot be deemed a defining factor solely by itself. Even more, it can be considered the result of past evolutionary paths rather and the outcome of preceding housing policies. Nevertheless, tenure structure is often the starting point of various housing studies.

According to Eurostat data shown in Figure 6.1 regarding 2015 statistics, total homeownership rates in the 'traditional' Southern European group (Greece, Italy, Spain and Portugal) is around 75% (of total population) and not deviating significantly from EU-28 average of ~69.5%. The Southeastern European group (Bulgaria, Romania, Serbia) stands significantly higher at ~87%. Bulgaria stands at around 82.5% and Greece at ~75%. The SEE group rates average is significantly elevated due to Romanian rates reaching almost 96.5% of total population in homeownership.

At first glance the Southern European average of ~75% does not seem enough to support the discussion of a 'differentiated' housing system cluster. The picture is different for Bulgaria and the Southeastern European cluster, as standing notably higher than the Southern European and EU-28 averages.

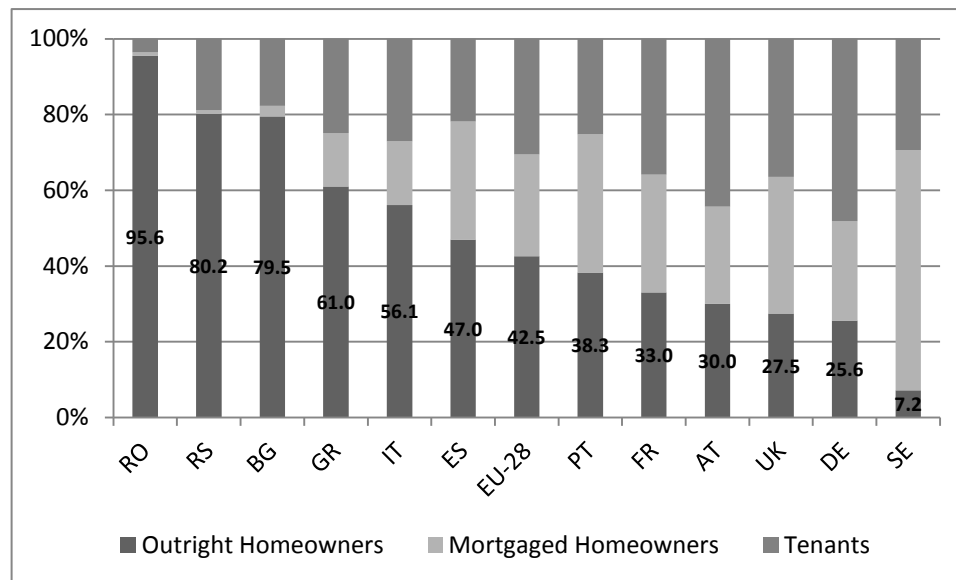


Figure 6.1 - Tenure Structure in 2015 in % of total population (source: EU-SILC, ilc_lvho02)

Taking a closer look at the distribution of homeowners according to mortgage indebtedness, a different reading comes up. Limited exposure to housing mortgaging places Greece (~14%) on the verge of the Southern European group, and significantly higher than its average of ~27% in terms of total population under housing mortgage (EU-Silc, ilc_lvho02). This is also evident from the respective percentages of outright homeownership shown in Figure 6.1, placing Greece higher than its cohorts. According to Hypostat 2016 data (p. 107) total owner-occupation rates in Bulgaria decreased by ~3% from 2005 to 2015, while in Greece remained more or less unchanged with a slight decrease of ~1.6% from 2007 to 2014.

6.2.2 Stock Volume, Age, Occupancy and Type

According to Hypostat 2016 data (p. 112) the total dwelling stock in Bulgaria accounted for around 3.935.000 units in 2015, while in Greece for ~6.382.000 units. From Figure 6.2 it is evident that almost half of the Bulgarian housing stock is now more than 45-years old and only 15% newer and built post-socialism. In Greece the housing stock is significantly newer on average, mostly due to housing built post-1990 (~28%), while one third of the stock was built before 1970 i.e. older than 45 years. The two countries do not significantly differ in their 1971-1990 percentages. It is also shown that the Southern European cluster, except Italy, has an overall newer stock, also newer than the Southeastern European Group of Bulgaria and Romania. Within their regional grouping, Bulgaria more or less follows trends on newer stock, while Greece has a bit smaller newer post-1991 stock than Spain and Portugal, but almost double than Italy. Panel housing in Bulgaria accounts for around 19.000 blocks of ~708.000 units accommodating more than 1.6 million people (Tsenkova, 2009).

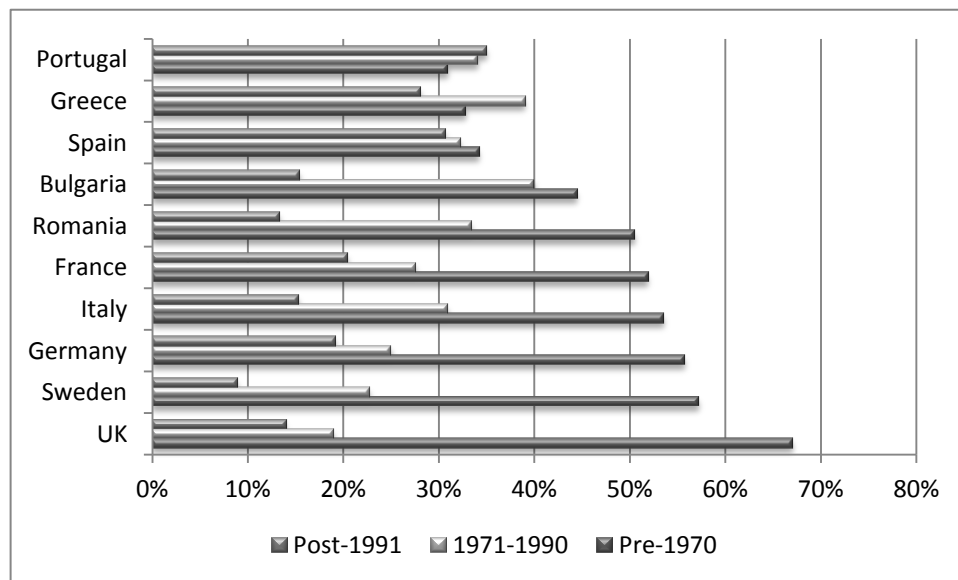


Figure 6.2 - Age of Dwellings Stock (Source: Eurostat Census 2011, HC53)

Despite its newer stock in 2015 Portugal topped the Eurostat chart on population living in a dwelling with leaking, dampness or rot problems (ilc_mdho01) with a percentage of ~28%. From the SE group Italy followed with ~24%, while Spain and Greece over-performed with ~15% next to EU-28 average. With the exception of Serbia (23.4%) the SEE was in a better standing of ~12.8 in Romania and 12.9% in Bulgaria.

Dwellings Occupancy rates is an important factor of housing systems. Figure 6.3 based on Eurostat data offers a visualization of the respective trends. It is clear that in Southern Europe and especially Portugal (2nd) and Greece (1st), unoccupied dwellings rates are significantly high, with Bulgaria entering the cluster. In Bulgaria population decline and country houses, can largely explain the phenomenon. In Southern Europe - excluding Italy - it is also the result of post-2000 construction boom. Romania strongly differs from its neighbouring Bulgaria, following western and northern European trends.

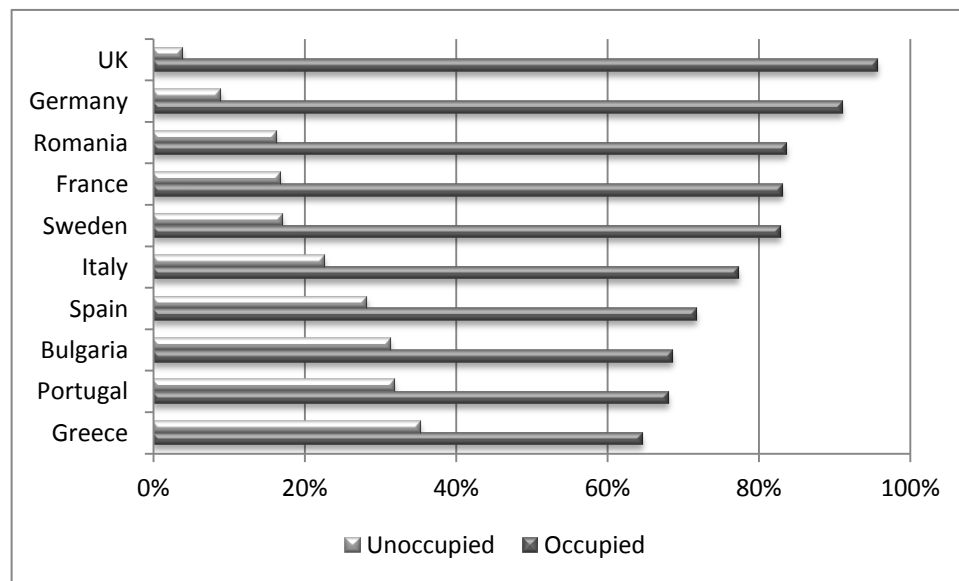


Figure 6.3 - Dwelling Occupancy rates (Source: Eurostat Census 2011, HC53)

Vacancies in Greece account for around one quarter of the housing stock, with ~15% regarding secondary or holiday homes and ~5% stock available for renting (TenLaw, Greece). In Bulgaria vacancies in 2001 accounted for almost 16% of the housing stock, and had doubled since 1992 (http://www.nsi.bg/Census_e/Census_e.htm).

An important indicator of housing sufficiency can be extracted combining Eurostat data regarding population size, average Household Size and Number of Conventional Dwellings, for 2011 (Figure 6.4). This graph shows two things through the ratio given. On the one hand the ratio of Occupied Dwellings per Household indicates the satisfaction of housing needs in terms of one housing unit per Household. Here, Bulgaria and Spain over-perform, while Greece stands in the middle range. On the other hand, the ratio of Total

Dwellings per Household may be an indicator of housing over-supply. Here, Bulgaria, Greece and Portugal lead, which is in accordance with Figure 6.3 levels of unoccupied dwellings. These of course are not to be considered without criticism. The former is not an indicator of overcrowding, while the latter may very well include housing units not fit or hard to use as primary residence.

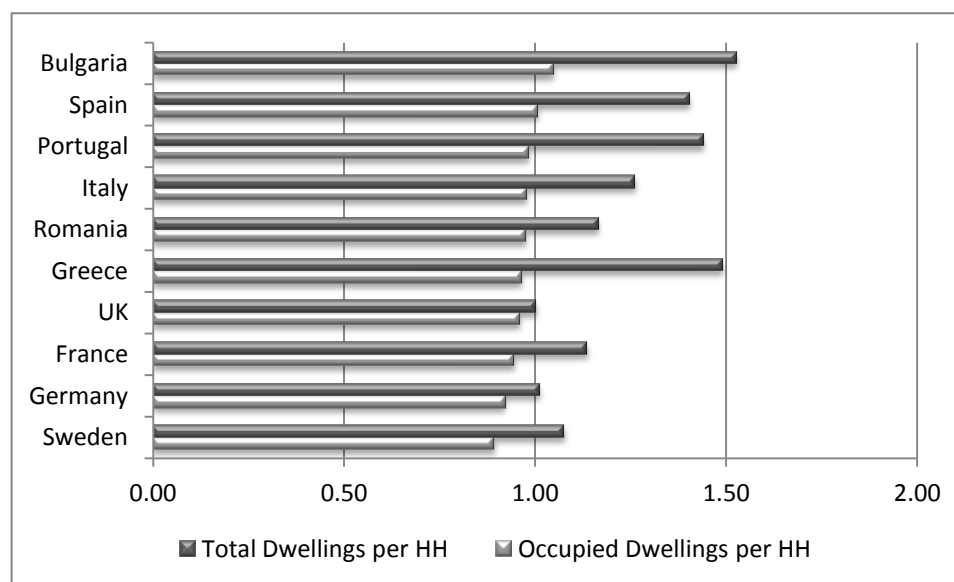


Figure 6.4 - Number of Dwellings per Household in 2011 (Sources: Eurostat demo_pjan, ilc_lvph01 & cens_11dwob_r3)

According to Eurostat data shown in Figure 6.5 for 2012, average size of dwellings in Bulgaria is ~73 sq.m. for the population total i.e. 24% lower than the EU-28 average of 96 sq.m. In Greece, average size of dwellings is 88.6 sq.m. i.e. closer to the EU-28 size, however lower than its Southern European cohorts. EU-28 Homeowners with a mortgage loan have access to larger units of ~120 sq.m. i.e. ~24 sq.m. larger than the total average of the total EU-28 population. The difference in Bulgaria is less pronounced as Homeowners with mortgage or loan have an average of 76.3 sq.m. i.e. only 3.3 sq.m. higher than the total average. Greek homeowners with mortgage loan have access to notably larger units with an average space of 100.3 sq.m. i.e. ~12 sq.m. larger than their national total average. In all countries examined, outright homeowners live in houses with an average size higher than their national total average size. This is explained by the lower space regarding renters of all kinds, with the exception of Sweden where tenants in free or reduced rent live in larger units of an average 131.4 sq.m. versus a total average 103.3 sq.m. size. Compared to their total average for all tenures, renters at market price in Sweden, Portugal and Germany are

in worst condition as the average size of dwellings is 33.6, 28.8 and 25.1 sq.m. smaller respectively. Renters at reduced rent or free are in worse positioning in Portugal and Germany with 23.6 and 20 sq.m. less than their average size for tenure total. Overall, Greece over-performs comparing to Bulgaria but stays lower than all EU unit size averages. Greek renters are close to EU averages. Comparing to their groups, Greece is under-performing compared to Southern European countries but closer to Italy, while Bulgaria cannot be compared to a severely lagging Romania.

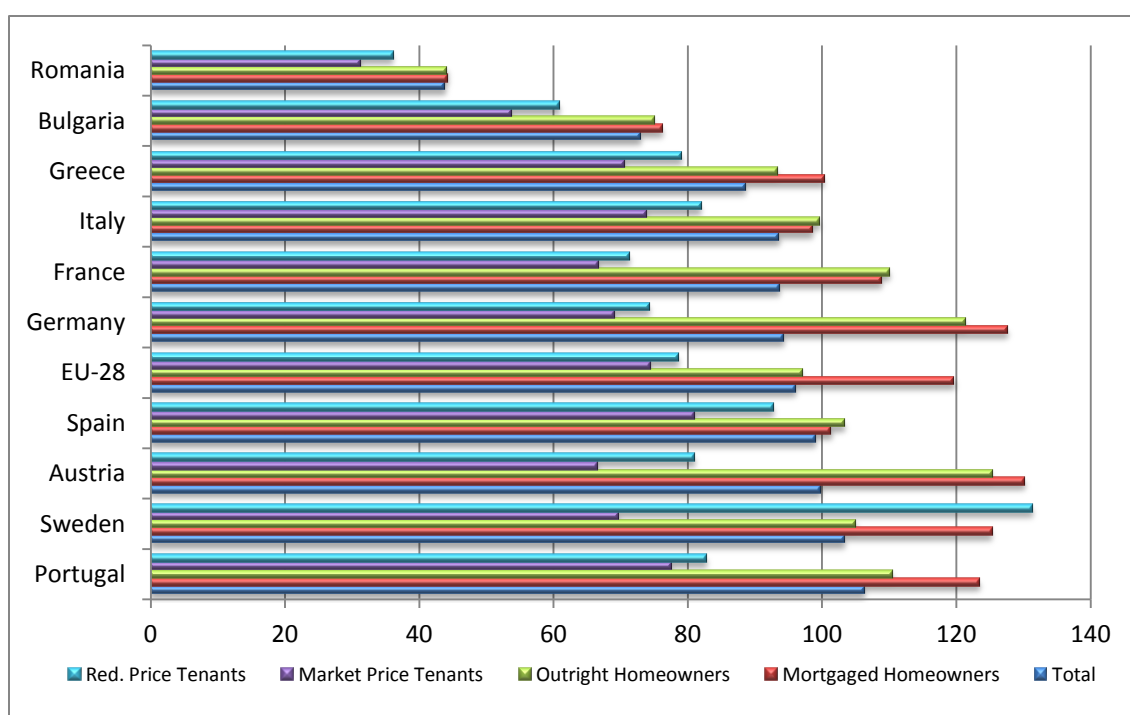


Figure 6.5 - Average Size of Dwelling (in sq.m.) by Tenure in 2012 (Source: EU-SILC, ilc_hcmh01)

According to EU-SILC data (ilc_lvho01) for 2015, in Bulgaria ~34.4% of the total population lives in city flats, ~8.7% in suburban flats, and a mere ~0.9% in rural flats. For Greece the respective percentages are ~32.5%, 18.1% and 5.4%. the EU-27 averages are 24.9% of the population in urban flats, 12.6% in suburban flats and 5% in rural flats. What is important to note is that in Greece ~34.5% of the population lives in flats belonging to buildings of less than ten dwelling i.e. smaller buildings, topping the list on a European level with EU-27 percentage at ~18.3%. For Bulgaria, only ~5.6% of the population lives in such buildings, and 38.4% in buildings of more than ten dwellings of which 30.7% is in cities. In Greece the respective percentage is ~21.8% of which 14.9% is in cities.

6.2.3 Housing Costs

Indicators regarding the costs falling on or regarding housing are crucial in assessing affordability levels. Outright homeownership is often considered a vector of decommodification. While it is certainly a factor, the impact cannot be properly evaluated without considering housing costs, also regarding outright homeownership. Focusing on the changes in housing costs is may be an indication of shifts in housing systems dynamics, and often towards pre-commodification or commodification of housing.

For example, *Housing Cost Overburden* has become a major problem for an increasing number of the population in Southeastern Europe. Figure 6.6 based on EU-SILC data shows the percentages of population overburdened by housing costs²⁸ per tenure. It is evident that Greek Homeowners of both groups are far more overburdened compared to the other countries examined and the second one following i.e. Serbia. Tenants at market price in Greece are second after Serbia and highly overburdened. Bulgaria lies somewhere in the middle, with tenants of both groups being in worse position than Bulgarian homeowners.



Figure 6.6 - % of Population under Housing Cost Overburden in 2015 (Source: EU-SILC, ilc_lvho07c)

²⁸ According to http://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:Housing_cost_overburden_rate, 'The housing cost overburden rate is the percentage of the population living in households where the total housing costs ('net' of housing allowances) represent more than 40 % of disposable income ('net' of housing allowances)'. Housing costs include rent or mortgage interest payment, regular maintenance, repair, relevant taxes, and cost of all utilities (see also HH70 in <http://ec.europa.eu/eurostat/documents/1012329/6070906/Household+data+-+housing+data%2Bchange+in+HH071.pdf/087d4911-ec67-4caf-802a-6ad442b7c012>)

Comparing the change in the percentage of the population under housing cost overburden from 2007 to 2014, Table 6.2 shows the % of its increase or decrease²⁹. Greek population of all tenures is comparatively in the worst position, with the largest increase noted in tenants at reduced price (near tenfold) and homeowners with mortgage loan (near double).

	Mortgaged Homeowners	Outright Homeowners	Tenants at Market Price	Tenants at Red. Price or Free
Greece	180.8%	139.5%	136.4%	979.5%
Sweden	31.8%	107.4%	-14.8%	239.1%
Spain	7.1%	27.3%	32.3%	24.1%
EU-27	-18.7%	-4.2%	5.4%	5.0%
Italy	-16.7%	-12.1%	14.5%	28.0%
Romania	386.9%	-18.2%	-19.7%	-25.0%
Portugal	-17.8%	-20.8%	42.6%	123.3%
UK	-54.1%	-37.9%	-18.2%	-30.7%
Bulgaria	-65.0%	-42.9%	-3.1%	-37.4%
France	-31.3%	-46.2%	1.3%	5.7%

Table 6.2 - Variance in % of Population under Housing Cost Overburden per Tenure 2007 to 2014 (Source: ibid.)

Figure 6.7 shows the percentage of households under heavy financial burden (subjectively judged³⁰) due to housing costs in 2015. Here, there is a clear distinction of the Southern European cluster except Portugal, followed by Bulgaria and Romania. However, looking at Table 6.3 showing the change in the percentage of households under heavy financial burden due to housing costs, it is evident that Greece and Portugal present the highest increase i.e. more than half the 2007 percentage.

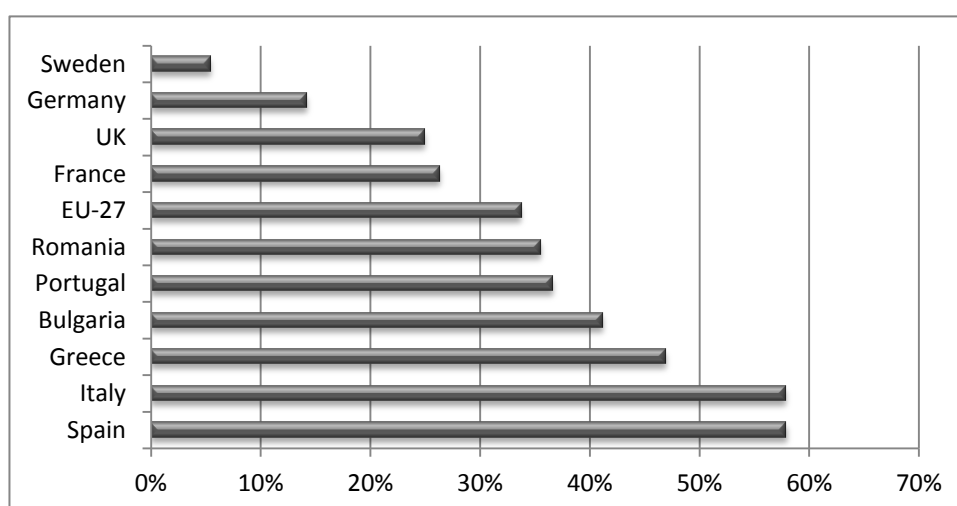


Figure 6.7 - % of Households with Heavy Financial Burden due to Housing Costs in 2015 (Source: EU-SILC, ilc_mdcd04)

²⁹ Calculated by dividing the difference between the 2007 and 2014 rates with the 2007 rates

³⁰ See HS140 in <http://ec.europa.eu/eurostat/documents/1012329/6070906/Household+data+-+material+deprivation.pdf/6f0726a5-4135-48a3-bacd-d2a3b47cbbec>. Costs include Rent, mortgage interest payment, utilities, maintenance and repairs as in HH70

Another important indicator is the share of disposable income going to housing costs. Figure 6.8 shows the standing of selected countries in 2015, while Table 6.4 shows what percentage of the disposable income housing costs consume compared to 2007. Greece is topping the list and considerably higher than the next one i.e. Germany. Interesting enough Greece is on the opposite side of its Southern European group cohorts, while Bulgaria and Romania are significantly lower than Greece and closer to each other. Greece also shows the greatest 8-year change, with more than half rise compared to 2007 rates.

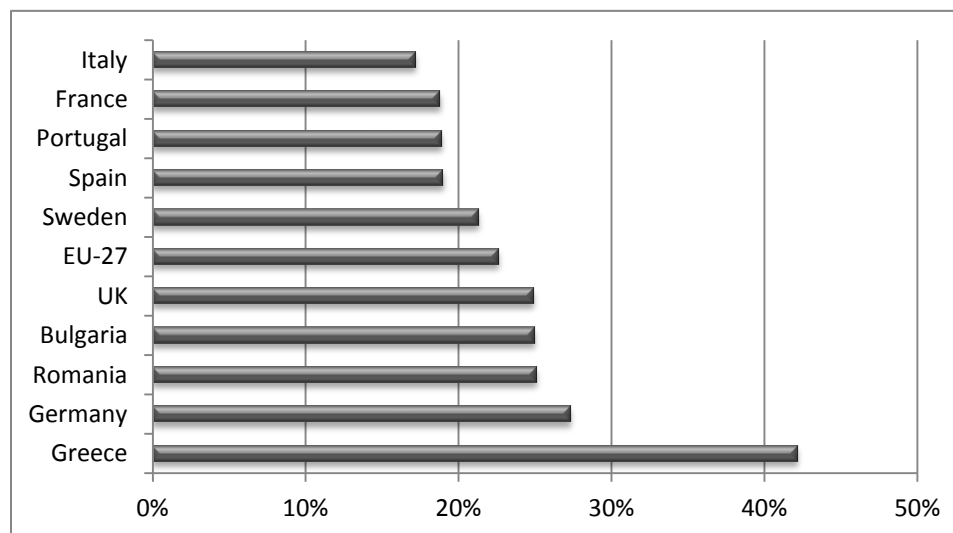


Figure 6.8 - Share of Housing Costs in Disposable Income in 2015 (Source: EU-SILC, ilc_mdcd01)

Greece	65,1%
Portugal	62,7%
Spain	17,2%
UK	10,2%
EU-27	6,3%
Italy	2,1%
France	-1,9%
Romania	-13,0%
Sweden	-29,9%
Bulgaria	-30,2%
Germany	-31,1%

Table 6.3 - Variance in % of Households under Heavy Financial Burden due to Housing Costs from 2007 to 2015 (Source: ilc_mdcd04)

Greece	54.6%
Spain	13.1%
Portugal	9.2%
Italy	0.6%
Sweden	0.5%
France	-1.6%
EU-27	-4.6%
Romania	-8.7%
UK	-13.2%
Bulgaria	-15.8%
Germany	-16.3%

Table 6.4 - Variance in Share of Housing Costs in Disposable Household Income from 2007 to 2015 (Source: ilc_mdcd01)

Greece	93,2%
Spain	77,1%
Italy	45,9%
Portugal	41,9%
EU-27	17,6%
Germany	0,0%
France	-3,4%
UK	-19,1%
Sweden	-25,0%
Romania	-28,6%
Bulgaria	-34,5%

Table 6.5 - Variance in % of total population in Arrears on Mortgage or Rent payments from 2007 to 2015 (Source: ilc_mdcd06)

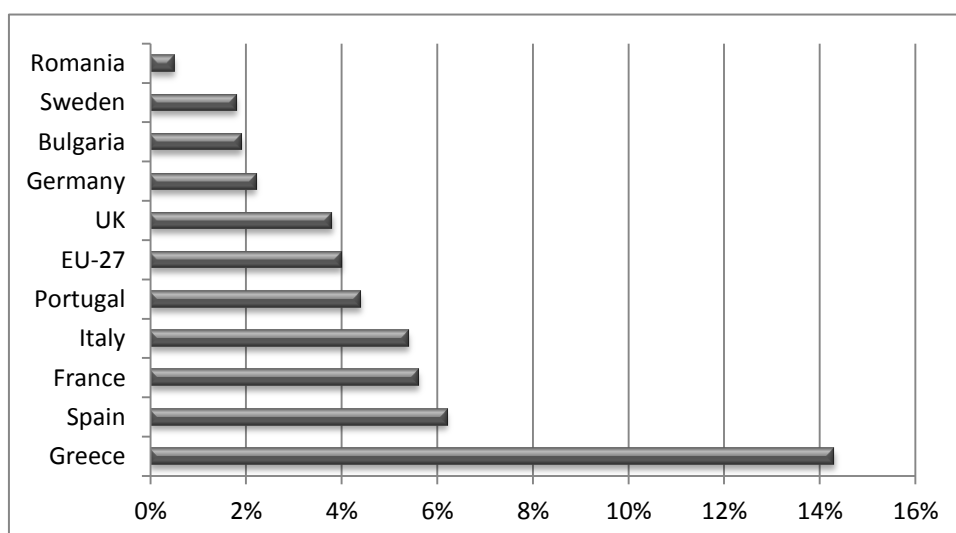


Figure 6.9 - % of Total Population in Arrears on Mortgage or Rent Payments in 2015
(Source: EU-SILC, ilc_mdcs06)

In keeping up with rent or mortgage payments, Greek population appears extremely overburdened as shown in Figure 6.9. In 2015 the percentage of the population with arrears on such payments was more than double the second one and more than three times the EU-27 average. The Southern cluster shows comparatively more burdened even though slightly. The difference is greater when examining the change in the percentage of population in rent or mortgage payment arrears from 2007 to 2015 in Table 6.5. Here, the Southern European group is clearly differentiated with Greece leading the chart having almost doubled its rates. This of course cannot be considered unrelated to the effects of the global financial crisis on these countries.

Housing Property Taxation

Immovable property taxation is an important factor to analyze, especially for Southern and Southeastern Europe where the vast majority of owned assets regards housing. Overall, it is an indicator of commodification as tax reliefs have historically been used as a means to 'decommodification' of housing (see theoretical analysis in 3.7.2). shifts in welfare regime and residential capitalism underlying mechanics are certainly dependent on taxation levels. Taxation adds up and increases housing costs, draining family resources in systems where housing welfare needs are insufficiently covered - if at all - by the state.

Hypostat report data gives an overview of taxation burdening immovable property across Europe³¹. Most important perhaps is the recurrent taxation on immovable property as it imposes a significant periodic (annual) costs on Households. Comparing taxation data for 2007 and 2014 we get a picture on the recurrent property taxation as % of GDP and its fluctuation for that period, as shown in Figure 6.10

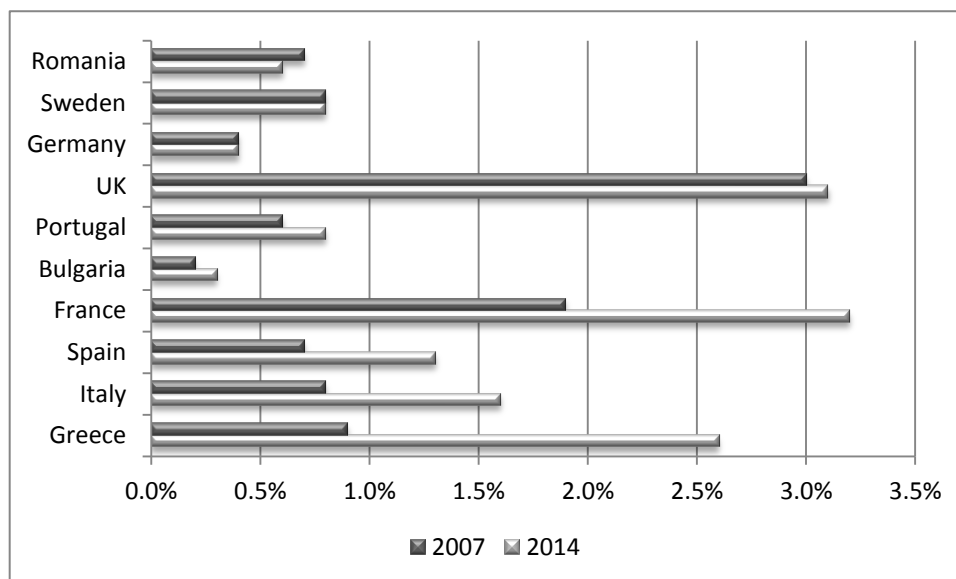


Figure 6.10 - Recurrent Property Taxation as % of GDP (Source: European Commission 2016)

Greece ranked 3rd in 2014 after France and UK, while having an extraordinary increase since 2007. Table 6.6 shows this increase reaching almost a double over the 2007 levels i.e. tripling the 2007 rate. Italy follows with a significant increase doubling its 2007 rates. Interesting enough, the increase is extended, albeit lower, to the Southern European group and Bulgaria. The latter increasing its 2007 rates by a half. From the above graph greatest increases are observed in Greece, Italy and Spain, with UK differing less but overall standing higher level. However, this graph does not take into account GDP fluctuations which have been extensive within this period due to the GFC.

³¹ Eurostat - Taxation Trends in the European Union, 2016, Taxation and Customs Union

Greece	188,9%
Italy	100,0%
Spain	85,7%
France	68,4%
Bulgaria	50,0%
Portugal	33,3%
UK	3,3%
Germany	0,0%
Sweden	0,0%
Romania	-14,3%

Table 6.6 - Variance in Recurrent property taxation as % of GDP from 2007 to 2014
(Source: EC 2016)

Greece	144,8%
Bulgaria	140,0%
Italy	100,0%
Spain	90,0%
France	59,1%
Portugal	41,2%
Romania	15,0%
UK	8,0%
Sweden	5,6%
Germany	-8,3%

Table 6.7 - Variance in Recurrent property taxation as % of total taxation from 2006 to 2014
(Source: EC 2016)

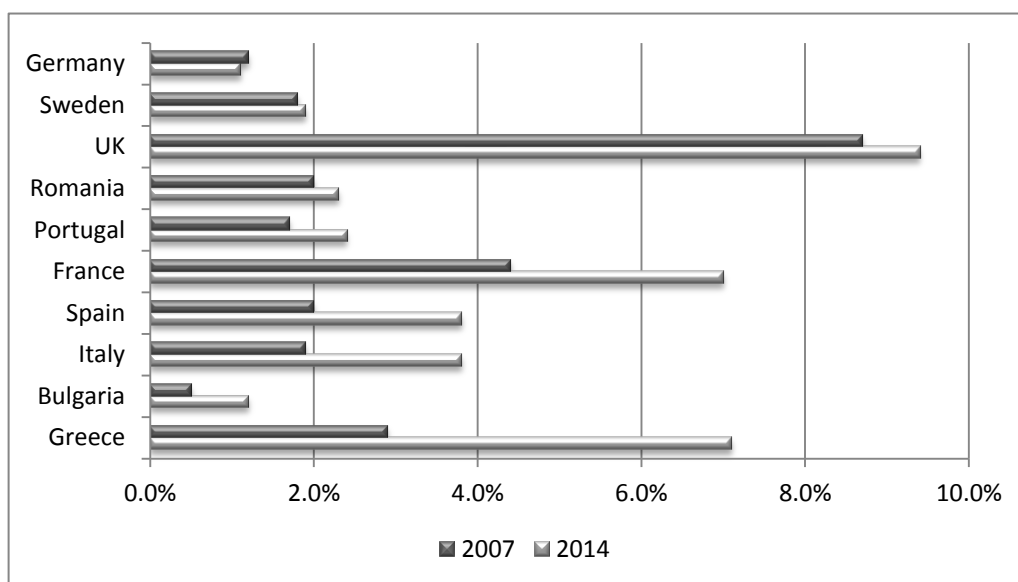


Figure 6.11 - Recurrent Property Taxation as % of Total Taxation (Source: European Commission 2016)

The rates of Recurrent Taxation on Immovable property as percentage of Total Taxation should also be noted. Figure 6.11 shows rates in 2007 and 2014 while Table 6.7 its change for the same period. Here, the Southern cluster along with Bulgaria show a dramatic increase ranging from ~90% in Spain to ~100% in Italy. Greece outstands with an increase of ~149%, and Bulgaria follows with ~140% increase i.e. almost one and a half time over. According to the last two tables, only Portugal appears somehow resistant to taxation increase.

This change in recurrent property taxation levels constitutes a serious factor of housing pre-commodification, as low taxation has historically been an indirect measure to protect the social character of homeownership. For 2014, recurrent taxes on immovable property exceeded 50% of total property taxation as % of GDP, across EU with very few exceptions (Taxation Trends in the EU, 2016; Graph 21, p. 39). The impact of taxation on household wealth is significant when considering the percentage of building stock used for residential use. In Greece for example, ~73% of the buildings stock is exclusively dedicated to residential use according to 2011 census³².

6.2.4 Housing Market Dynamics

The dynamics of the housing market is an important factor to consider for two basic reasons. The price levels and liquidability of housing assets directly defines the practical viability of asset-based welfare theorization (research Hypothesis A). Pension levels in both Bulgaria and Greece have become gradually weaker with time. Therefore the potential of using housing assets to make up for such welfare insufficiency - not excluding other kinds of welfare - needs to be debated. Moreover, price levels affect the wealth of households enclosed within owned housing assets - which is overall practically hard to estimate. Changes in the value of owned assets also affects the levels of housing welfare (RQ1).

Greek housing market is subject to severe financial pressures since 2008 as direct result of the Greek debt crisis. As discussed in Chapter 4. This fact calls for extensive attention on reading relevant statistical data, as it may be particularly difficult to clarify trends due to crisis distortions. Looking at the Hypostat data there is a ~29% increase in outstanding residential loans to GDP ratio in Greece from 2007 to 2015 as shown in Figure 6.12, which is often considered a factor of mortgage market expansion. In some cases this is circumstantial, when considering changes in financial performance. In Greece GDP dropped ~25% during that period (Hypostat, 2016, p. 124), so the aforementioned increase is essentially due to GDP drop rather than expansion of residential loans. Table 6.8 shows the variance in Total Outstanding Residential Loans from 2007 to 2015. Here the shrinking of mortgage exposure is evident in the Southern European cluster - except Italy - while Bulgaria and especially Romania are on the increase.

³² <http://www.statistics.gr/census-buildings-2011>

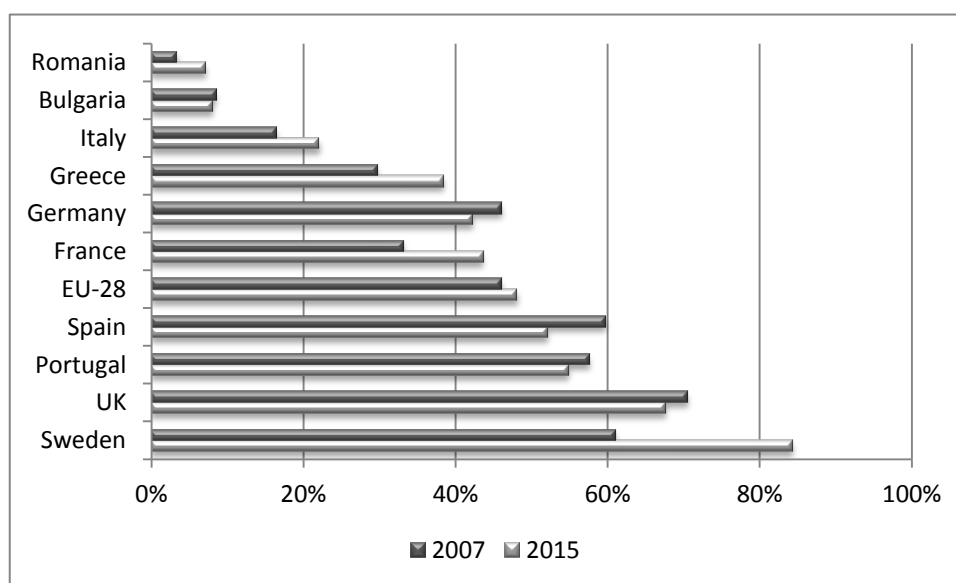


Figure 6.12 - Variance of Outstanding Residential Loan to GDP Ratio from 2007 to 2015
(Source: Hypostat 2016)

It is important looking at the gross residential loans in end-2007 and end-2015 (Hypostat, 2016, p. 100, in million Euros). There was a drop in Italy from 83,604 to 66,390 (~20%), the UK from 521,524 to 302,822 (~42%), Bulgaria from 1,783 to 973 (~45%), Spain from 145,298 to 35,721 (~75%), Portugal from 19,630 to 4,013 (~80%), and Greece from 15,199 to 475 (~97%). There was an increase in Romania from 2,256 to 2,516 (~10%), Germany from 132,000 to 208,600 (~37%) and Sweden from 43,895 to 60,761 (~28%).

Romania	173,6%
Sweden	72,0%
France	46,9%
Italy	36,3%
Bulgaria	26,0%
EU-28	18,4%
Germany	10,7%
UK	10,4%
Portugal	-2,6%
Greece	-2,6%
Spain	-13,0%

Table 6.8 - Variance in Total Outstanding Residential Loans from 2007 to 2015
(Source: Hypostat 2016)

Sweden	52,2%
UK	32,2%
Germany	20,9%
Bulgaria	8,9%
EU	2,3%
France	1,5%
Italy	-7,1%
Portugal	-12,8%
Spain	-25,1%
Romania	-26,4%
Greece	-35,3%

Table 6.9 - Variance in Nominal House Price Indices from 2006 to 2015
(Source: Hypostat 2016)

Sweden	4,5%
UK	3,0%
Germany	0,5%
Italy	-10,9%
France	-14,1%
Portugal	-17,6%
Greece	-19,8%
Spain	-31,9%
Bulgaria ²⁰¹³	-33,5%
Romania	-37,0%

Table 6.10 - Variance in Nominal House Price to Disposable Household Income from 2006 to 2015
(Source: Hypostat 2016)

Likewise, significant increase of ~35% in outstanding residential loans to households disposable income from 2007 to 2015 is the result of shrinking household income ~28% for the same period in Greece (Hypostat, 2016; p. 105 & p. 125). In Bulgaria, the increasing GDP (~35%) is linked to the relapse of Mortgage-to-GDP ratios i.e. 8.5% to 10.2% in 2010 and down to 8% from 2007-2015 (*ibid.* p. 104 & p. 124). Bulgarian mortgage market shows signs of expansion although rates are still behind, while it has dropped in Greece. In both countries credit persists as unattractive despite significant drop in interest rates, ~30% for Bulgaria and ~ 43.5% for Greece, from 2007-2015 (*ibid.* p. 101). The lower levels of mortgage borrowing seem to be reflected in overcrowding rates. In 2015, mortgaged homeowners in Bulgaria, Greece, Italy and Serbia lived in worse conditions of overcrowding compared to outright homeowners (ilc_lvho05c). This is due to the inability and unwillingness to undertake larger loans giving access to sufficient housing.

The basic characteristic of the Greek housing market is the excessive supply resulting from a steep drop in demand due to financial hardship of Households. Nominal Housing Prices in Greece have dropped ~35% from 2006 to 2015 as shown in Table 6.9. Bulgarian housing prices in the other hand present an increase of ~9% for the same period. Greece is the leader in housing prices drop within the southern European cluster, followed by Spain. Due to radical drop in Greek Household incomes, the Nominal Housing Prices to Disposable income rates (*ibid.* p. 119 & p. 125) appear less reduced compared to the aforementioned as shown in Table 6.10. The latter is a useful - albeit not absolute - indicator of affordability. For example, although lower scores theoretically indicate more affordable houses, extremely low incomes will have no access to houses however low their price may drop. In Bulgaria, even though Nominal Housing prices went up from 2006 to 2015, when considering the change in Disposable Household Income the ratio is significantly dropping as showing in Table 6.10 i.e. due to the increase of household incomes.

As a result of persistent financial instability in recent years and an excessive supply of unsold houses, construction of new units has severely shrunk. In 2015 only 17264 building permits were issued in Bulgaria, a ~73% drop compared to 2007. Respectively in Greece only 4618 permits were issued i.e. ~89% drop from 2007 levels and ~92% compared to 2005 peak (Hypostat, 2016, p. 108). Housing starts in Greece followed the aforementioned trends with a ~91% drop, although in Bulgaria housing starts almost doubled from 2010-2015 (*ibid.*, p. 109). Housing completions in Bulgaria dropped ~58% since 2007 peak,

while in Greece drop was ~92.3% since 2007 and ~96.3% compared to 2005 high (Hypostat 2016, p.110). Regardless of newer units, transaction volume shrunk significantly in Greece, dropping ~80% compared to 2005 (*ibid.*, p. 114).

Housing market in both countries seems to be idle, as a result of different forces. Interesting enough, this is despite a significant drop in housing prices during the crisis. The financial crisis strongly affected incomes in both countries and severely hindered housing market expansion and stabilization. Long-lasting outright homeownership accommodated the shrinking of the housing market during the last decade as households had the opportunity to somehow cover their housing needs. While this had the positive aspect of limiting exposure to mortgage lending during the crisis, it also countered the positive effects of a thriving housing market. For example, renewal of the old stock, better use of underused dwellings, integration of poorer populations through cheaper housing, cohabitation decrease etc. are only some of the aspects affected by vibrant housing markets. Moreover, mobility remains limited in all types of homeowners while both countries present and oversupply of housing stock. With time, the effects become the reason of low market dynamics like for example, low demand for new housing. Causality is hard to establish in such cases, as housing market dynamics are severely affected by numerous non-housing factors like employment, income and property taxation, and overall macroeconomic climate. Perhaps that is why for the majority of the people housing-related problems are considered the result of non-housing forces, while housing is not considered problematic overall. On the other hand, this may be also formed as the effect of lacking - at least in a pronounced and structured way - housing policies in Bulgaria and Greece.

6.2.5 Social Aspects

There is a number of indirect indicators regarding the social impact of housing conditions and relevant issues. *Firstly*, an interesting factor of housing system effectiveness is *mobility* within the housing market. According to Eurostat tables, 5-year mobility in Greece and Italy is comparatively low in all tenure types, as shown in Figure 6.13, although there are signs of change. In Bulgaria and Romania mobility is extremely low. This pattern largely accords with tenure patters and more specifically marginal rental sectors being considered a temporary solution. In all countries, tenants at market prices present the most significant mobility potential, while outright homeowners appear overall less mobile. This links to low mobility regardless of housing over-supply as already mentioned.

Secondly, for 2012 *Overcrowding Rates* show that Greece and Italy differ from their southern European group by more than half, but are in a better position than Bulgaria. Figure 6.14 illustrates these trends. In Bulgaria and Greece, rates for Homeowners with mortgage/loan and Tenants at market price are worse compared to outright homeowners.

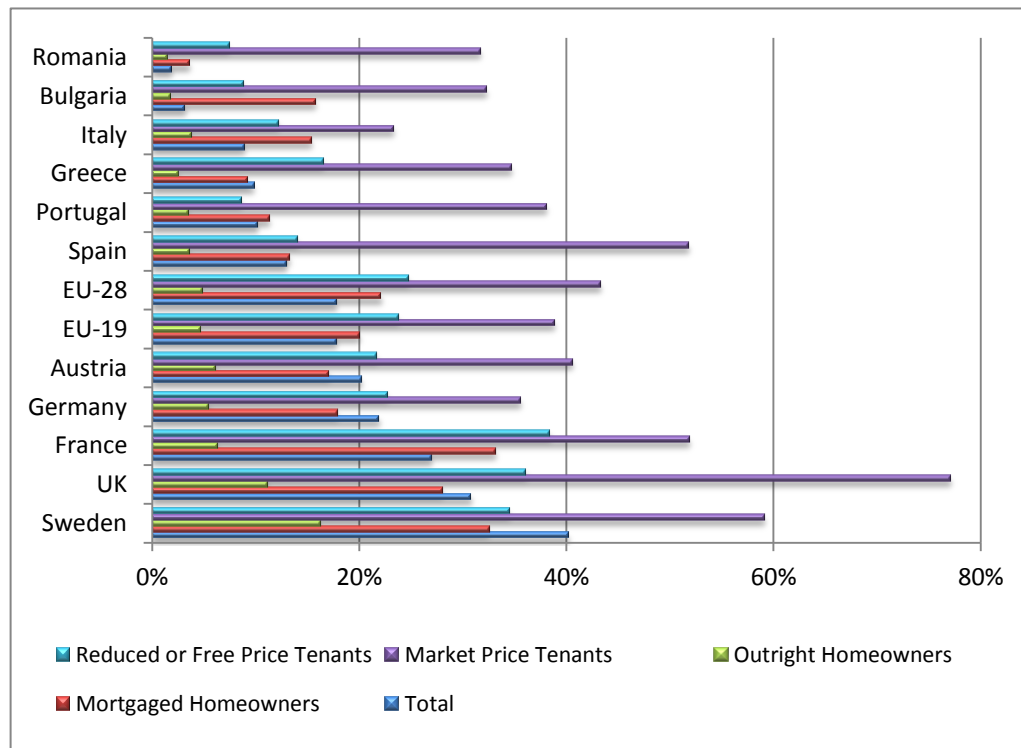


Figure 6.13 - Share of Population having changed dwelling from 2007 to 2012 per Tenure
(Source: EU-SILC, ilc_hcmp05)

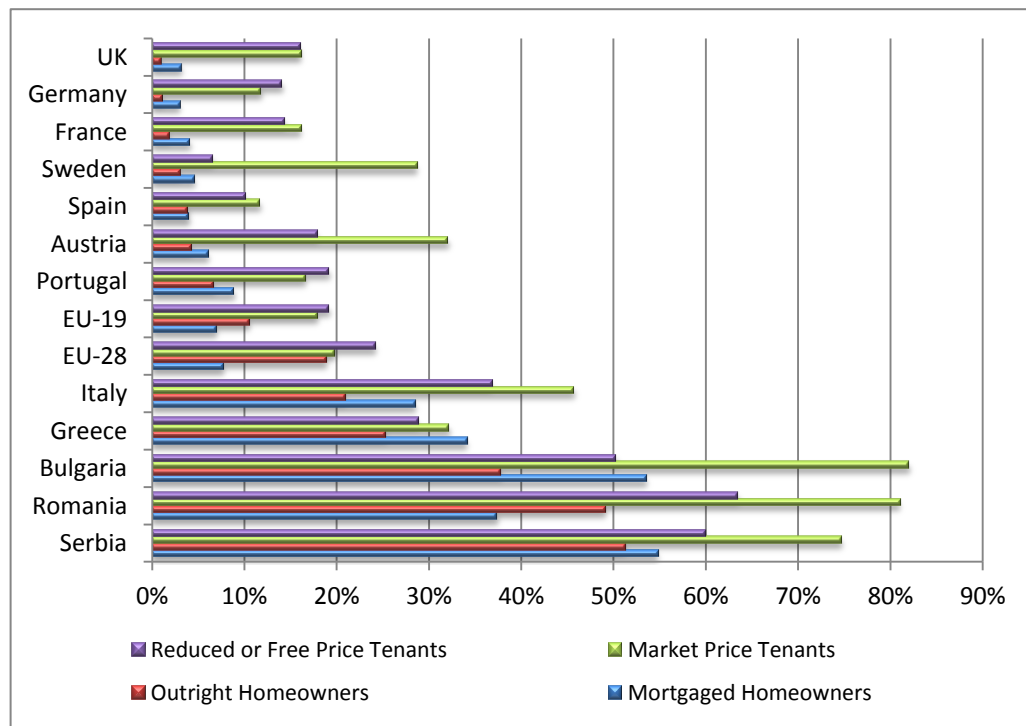


Figure 6.14 - % of total population subject to overcrowding, per tenure in 2015 (Source: EU-SILC, ilc_lvho05c)

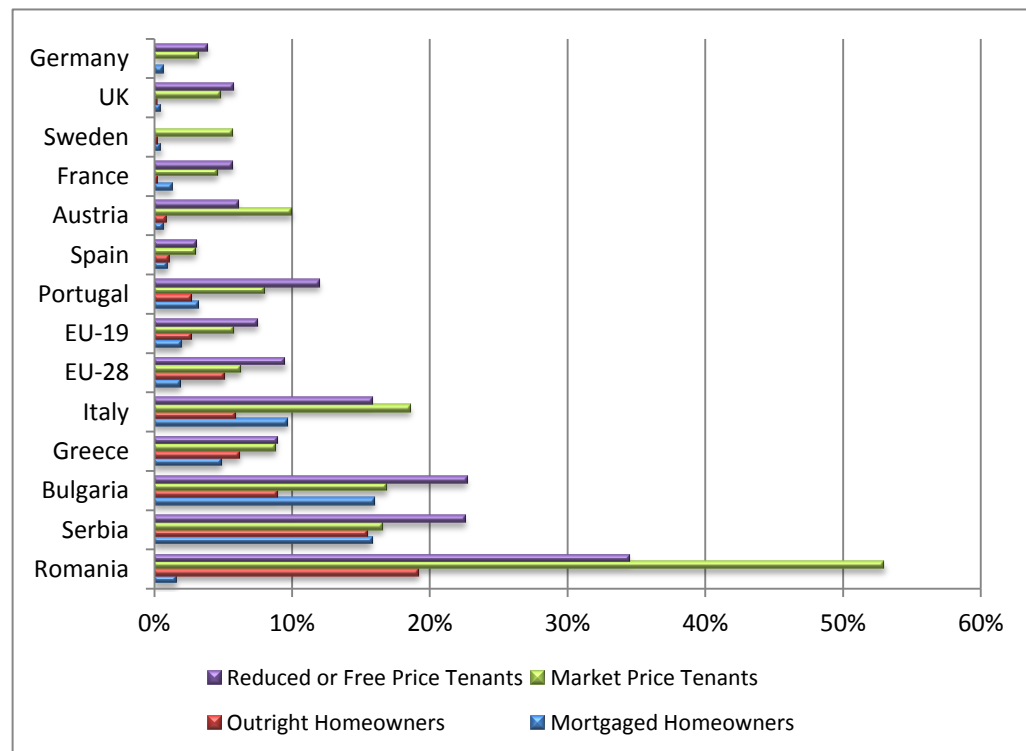


Figure 6.15 - % of total population subject to severe housing deprivation, per tenure in 2015 (Source: EU-SILC, ilc_mdho06c)

However, Table 6.11 on the change of percentages of the population subject to overcrowding from 2007 to 2015 does not offer any pronounced indication of a trend. Highest increases marked in the chart may be circumstantial.

	Mortgaged Homeowners	Outright Homeowners	Tenants at Market Price	Reduced or Free Price Tenants
Spain	-21,6%	18,2%	-32,4%	29,5%
Italy	26,1%	5,6%	14,8%	18,3%
Greece	38,6%	-5,2%	-22,2%	4,7%
Romania	-46,6%	-10,2%	5,1%	-21,4%
EU-27	8,5%	-22,1%	-20,1%	-26,3%
Bulgaria	-2,0%	-22,7%	11,4%	-21,2%
France	-2,4%	-38,7%	-30,9%	-14,8%
Sweden	24,3%	-41,2%	22,6%	-73,8%
Portugal	-20,5%	-46,8%	-36,6%	-31,4%
UK	-17,9%	-58,3%	21,1%	11,1%

Table 6.11 - Variance in % of total population subject to overcrowding per tenure from 2007 to 2015 (Source: EU-SILC, ilc_lvho05c)

Another interesting indicator of housing system efficiency and sufficiency is the percentage of population subject to Housing Deprivation. Figure 6.15 shows these rates for 2015, while Table 6.12 illustrates their variance from 2007 to 2015. Romania and Bulgaria seem to have larger populations under severe housing deprivation. Italian tenants follow close to Bulgaria, while Greece is overall fifth. Looking at Table 6.12 it is evident that Bulgarian, Italian and Greek mortgaged homeowners under severe housing deprivation have significantly risen, which is partially due to mortgage loan exposure from 2007-2015.

	Mortgaged Homeowners	Outright Homeowners	Market Rent Tenants	Reduced or free Price Tenants
Italy	59,0%	11,3%	34,8%	26,4%
Spain	-52,4%	-15,4%	-65,1%	-35,4%
Greece	48,5%	-26,2%	-19,3%	-31,5%
Romania	-83,7%	-38,9%	38,4%	-26,9%
Portugal	-5,9%	-41,3%	-47,7%	-35,5%
Bulgaria	70,2%	-46,4%	-30,7%	-27,2%
EU-27	5,6%	-48,5%	-29,2%	-31,4%
France	18,2%	-50,0%	-47,1%	1,8%
UK	-44,4%	-75,0%	14,3%	-10,8%

Table 6.12 - Variance in % of total population subject to severe housing deprivation per tenure from 2006 to 2015 (Source: EU-SILC, ilc_mdho06c)

Cohabitation levels can be used as an indirect indicator of housing familialism, although in a non-deterministic manner. Figure 6.16 refers to 2015 showing the southern and south-eastern European clusters clearly differing. The percentage of people aged 25-34 living with their parents in Italy, Greece and Serbia exceeds 50%, while EU-27 average is ~28%.

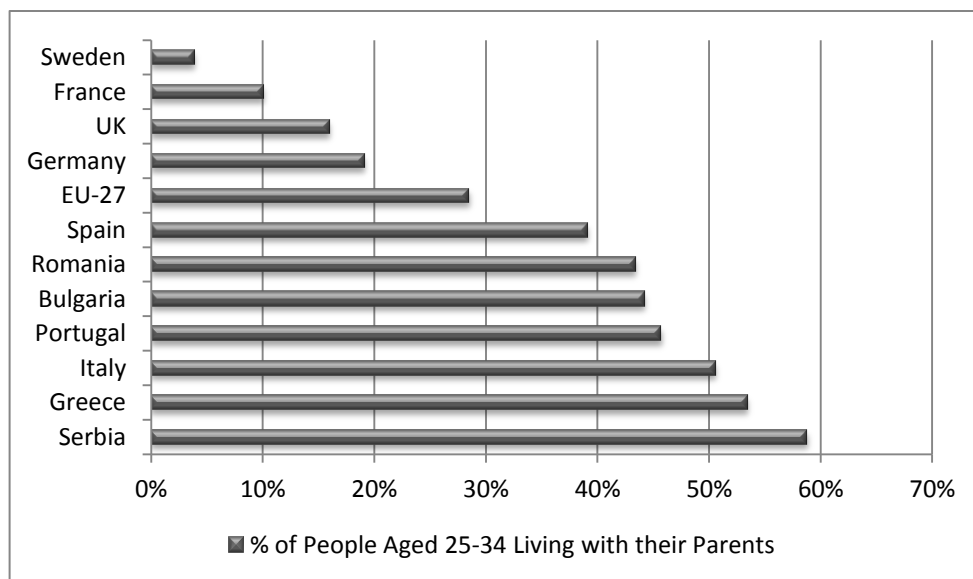


Figure 6.16 - % of people aged 25-34 living with their parents in 2015 (Source: Eu-SIIC, ilc_lvps08)

Familialist Transfers is a useful indicator of housing familialism as it may give evidence on actual monetary or other kinds of intra-family transfers regarding access to housing. Unfortunately relevant data have started being gathered only for recent years and do not yet include all countries. According to preliminary analysis of SHARE-Project wave 6 (Börsch-Supan, 2017) valid responses ~25% of Greek respondents reported acquiring housing with family help, including bequests and gifts.

Lastly, according to Eurostat Census 2011 data (cens_11hou_r2), Homelessness in Bulgaria and Greece concerned less than 0.005% of the population. However, recent non-governmental organization reports show an increased rate of Homelessness since pre-crisis³³. Homelessness measuring discrepancies are related to definition parameters. Regardless, the phenomenon has now entered the public debate, and is a clear sign of homelessness gradually becoming an issue.

³³ Υποψήφιοι... άστεγοι 500.000 Αθηναίοι. (2017). *Real.gr*. Retrieved 17 March 2017, from <http://www.real.gr/DefaultArthro.aspx?page=arthro&id=480384&catID=3>

Housing Satisfaction and Opinions

This indicator is by default very subjective. Eurobarometer charts³⁴ can offer an outline of public opinion on housing issues. As shown in Figure 6.17 most Greeks consider housing affordability rather bad and very bad, and are significantly more than the EU averages, while Bulgaria is in a much better standing. The situation appears overall worse for the Mediterranean cluster, with the UK and France following with small a difference.

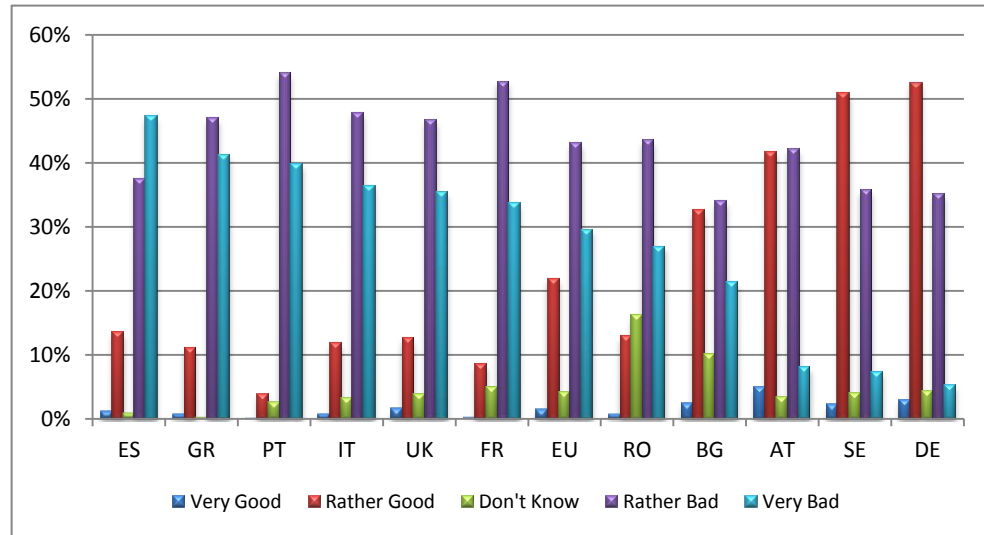


Figure 6.17 - Public Opinion on Housing Affordability in 2008 (Source: Eurobarometer, 2016)

Figures 6.18 and 6.19 show the percentage of people considering social security, housing, pensions, taxation and unemployment among the most important issues on a national and personal level respectively. Only a very small percentage of the Eurobarometer respondents in Bulgaria (~1%) and Greece (~0.5%) included housing as one of the major issues on a national level. On a personal level respective percentages lie at ~2% for Bulgaria and ~0.9% for Greece. In both figures the Mediterranean cluster is accompanied by Bulgaria. Rates shown should not be interpreted as more than an indication that people do not consider housing as an issue on a national and personal level. Many other issues are included in the Eurobarometer which could easily fill up the maximum of two answers.

³⁴ <http://ec.europa.eu/COMMFrontOffice/publicopinion/index.cfm/Chart/index>

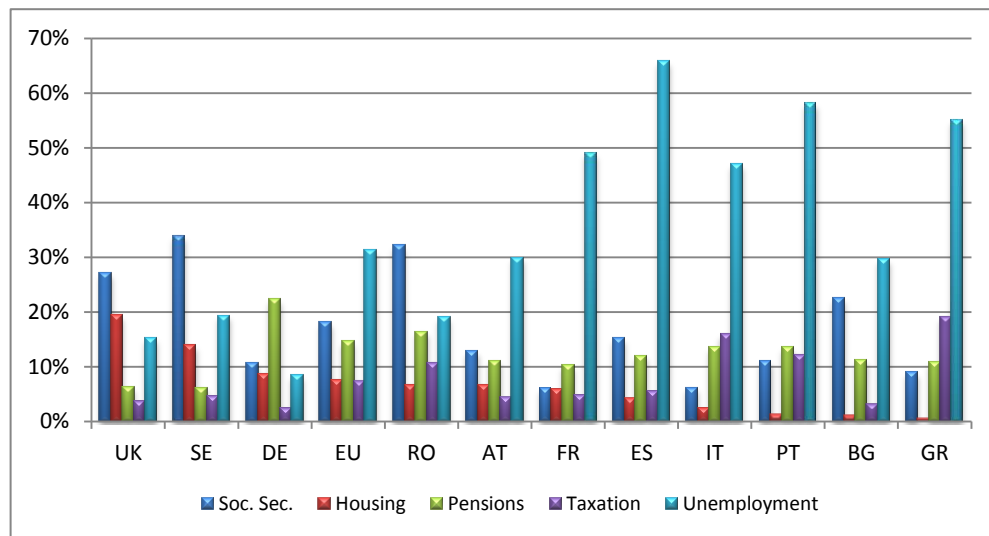


Figure 6.18 - Percentage of Eurobarometer respondents including Social Security, Housing, Pensions, Taxation and Unemployment as one of the two major issues on a national level (Source: Eurobarometer, 2016)

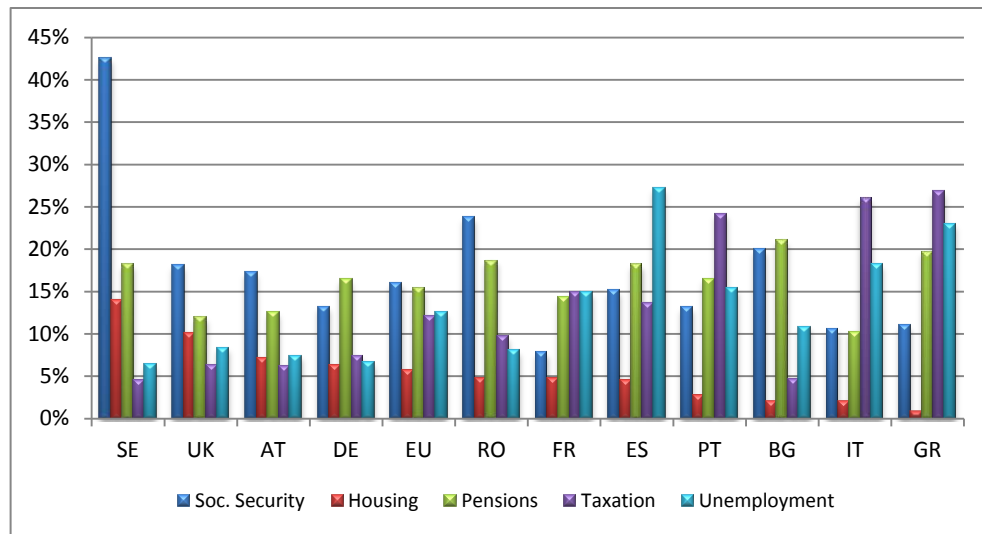


Figure 6.19 - Percentage of Eurobarometer respondents including Social Security, Housing, Pensions, Taxation and Unemployment as one of the two major issues on a personal level (Source: Eurobarometer, 2016)

By using the EU-SILC data on levels of overall satisfaction with the dwelling Figure 6.20 is formed. Here Bulgaria and Greece along the south-eastern arc show comparatively higher percentage of population expressing high satisfaction with their dwelling, significantly exceeding EU averages. Bulgaria and Romania are also in a much better standing than Greece and Portugal. However, when swapping to very high satisfaction the picture is reversed with the south-eastern arc at the bottom ranks. Bulgaria and Greece top the chart on the percentage of people with low overall satisfaction with their dwelling.

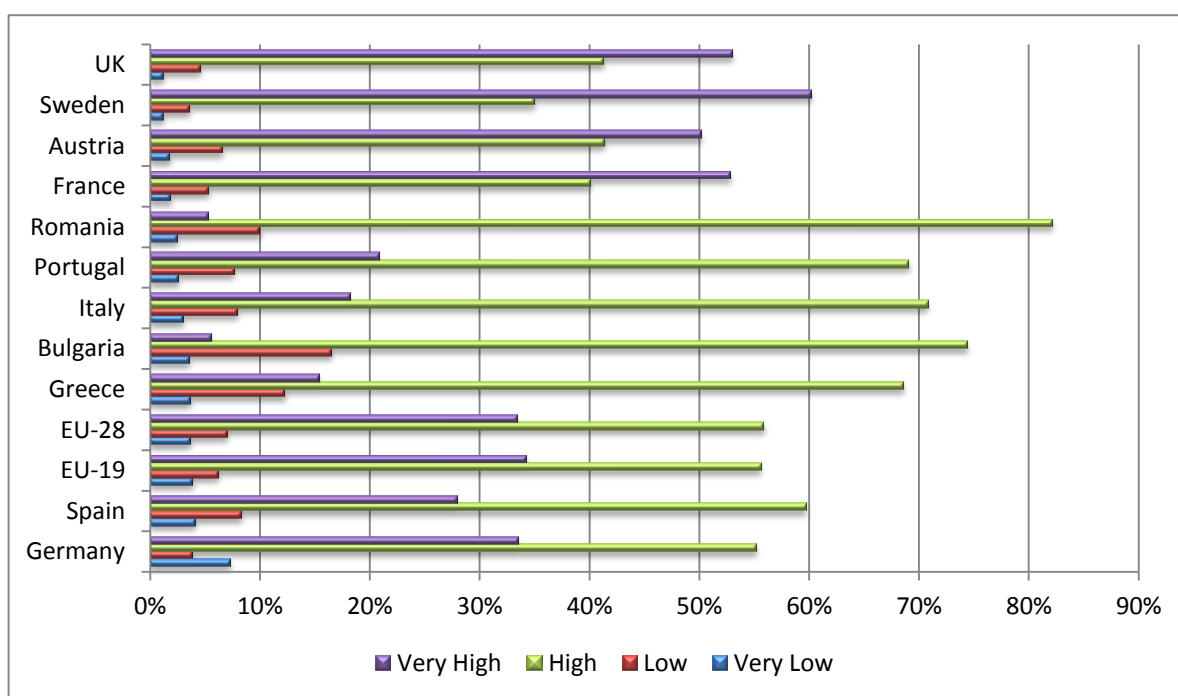


Figure 6.20 - % of population according to the level of overall satisfaction with their dwelling (Source: EU-SILC, ilc_hcmp04)

This becomes more interesting considering what was shown in 6.2.2 about the condition of the dwellings. It is important to note that between 2008 and 2012 Bulgaria increased its expenditure on housing from 1.42 to 5.19 million euro (~265% rise), while Greece decreased it from ~1.200 to ~478 million euro (~60% drop). In Greece almost half of them went to rent benefits, the rest to owner-occupiers benefits, and almost zero to social housing. In Bulgaria all benefits are summed as housing expenditure. In the following table total expenditure on housing is expressed as percentage of the total social protection expenditure for 2013.

UK	5,16%
France	2,47%
Germany	2,02%
EU-27	1,96%
Sweden	1,53%
Spain	0,39%
Romania	0,12%
Italy	0,09%
Bulgaria	0,07%
Serbia	0,07%
Greece	0,01%
Portugal	0,01%

Table 6.13 - % of total social protection expenditure for housing needs in 2013 (Source: EU-SILC , spr_exp_sum)

6.2.6 *Interpreting the Statistics Relatively*

While reading and interpreting statistical data may often seem a pretty straightforward process, this is not always the case. Apart from what discussed on the complex character of housing as a multi-discipline field, reported statistics are not always providing sufficient explanation of underlying dynamics. That said it is surely necessary to have some kind of 'tangible' indication of persisting and shifting trends. Bringing together findings of this primary section on this chapter offers some interesting results. It is always necessary to keep in mind that comparable structured international statistics mostly consist of the crisis years, and distortions should be considered (*see* Chapter 4).

Tables and figures shown earlier regarded comparison of absolute rates. In order to interpret the statistics in a relative manner one should make proper adjustments. Not all countries have the same financial basis and this is something which needs to be considered when comparing housing outcomes. In this section I adjust the main indicators to the country GDP per capita (Eurostat, nama_10_pc), to demonstrate the changes in rankings in relative performance. The GDP per capita used refers to 2011 so as to moderate the Greek crisis distortions while remaining relevant - except tables 6.14 and 6.18 where available data refer to 2012. This is especially important considering that the Greek GDP dropped more than 22% the last decade, while most countries have increased their respective rates. In order to assess the relative ranking of countries in terms of the indicators used before, the rates ('absolute') of previous tables regarding *Average Size of Dwellings*, *Overcrowding*, *Dwellings Occupancy*, *Heavy Financial Burden due to Housing Costs*, *Severe Housing Deprivations* and *Overall Satisfaction with Dwelling*, are now divided with the respective country GDP per capita for 2011 and the ratio ('relative') is then multiplied by ten thousand to moderate decimals.

The change in ranking demonstrated in Table 6.14 is significant for Bulgaria, Romania, Greece, Germany, Austria and Sweden. This may be an indication that the first three perform relatively better in terms of average size of dwellings considering the discrepancy of their GDP with that of richer countries. Romania can be excluded here as the average size is rather low. Portugal and Spain retained their positions at the upper half of the spectrum. One should note though that average size of dwelling cannot keep increasing indefinitely, and will practically have decreased differences in the upper and bottom of the left and right column respectively. Table 6.15 shows the change in country rankings

according to the percentage of people subject to overcrowding. Here the only significant shift regard the relative performance of Portugal and Spain. Bulgaria, Romania, Greece and Italy retain their position, compared to other countries. However, the relative underperformance of Greece compared to Italy and Bulgaria compared to Greece rose dramatically. Here, differences will be less pronounced in the mid and lower levels of the left and right column.

Ranking per Average Size (2012)			
Absolute (sq.m.)		Relative	
Portugal	106.4	128.1	Bulgaria
Sweden	103.3	66.5	Portugal
Austria	99.7	65.5	Romania
Spain	99.1	51.2	Greece
EU-28	96.0	44.6	Spain
Germany	94.3	36.1	EU-28
France	93.7	35.1	Italy
Italy	93.6	29.5	France
Greece	88.6	27.5	Germany
Bulgaria	73.0	26.5	Austria
Romania	43.9	23.2	Sweden

Table 6.14 - Ranking according to Average size (sq.m.) of the dwelling (source: Eurostat, ilc_hcmh01 & nama_10_pc)

Ranking per Overcrowding (2011)			
Absolute		Relative	
Romania	51.4%	84.6	Bulgaria
Bulgaria	47.4%	77.9	Romania
Greece	25.9%	13.9	Greece
Italy	24.5%	9.0	Italy
EU-28	17.0%	6.6	Portugal
Austria	12.3%	6.5	EU-28
EU-19	11.6%	4.0	EU-19
Sweden	11.3%	3.3	Austria
Portugal	11.0%	2.9	Spain
France	8.0%	2.6	Sweden
UK	7.1%	2.5	France
Germany	6.7%	2.4	UK
Spain	6.6%	2.0	Germany

Table 6.15 - Ranking according to % of the total population subject to Overcrowding (source: Eurostat, ilc_lcho05a & nama_10_pc)

Standing bellow EU averages, Greece and especially Bulgaria seem to fall behind on dwelling sizes. Such comparison cannot give any kind of definitive indication of space sufficiency as this is also related to social and family perception on what actually constitutes 'enough room per person'. What is can show though is a trend which may eventually lead to discrepancy between present and future household needs in terms of average space needed to characterize a house as appropriate and 'big enough', as requirements change.

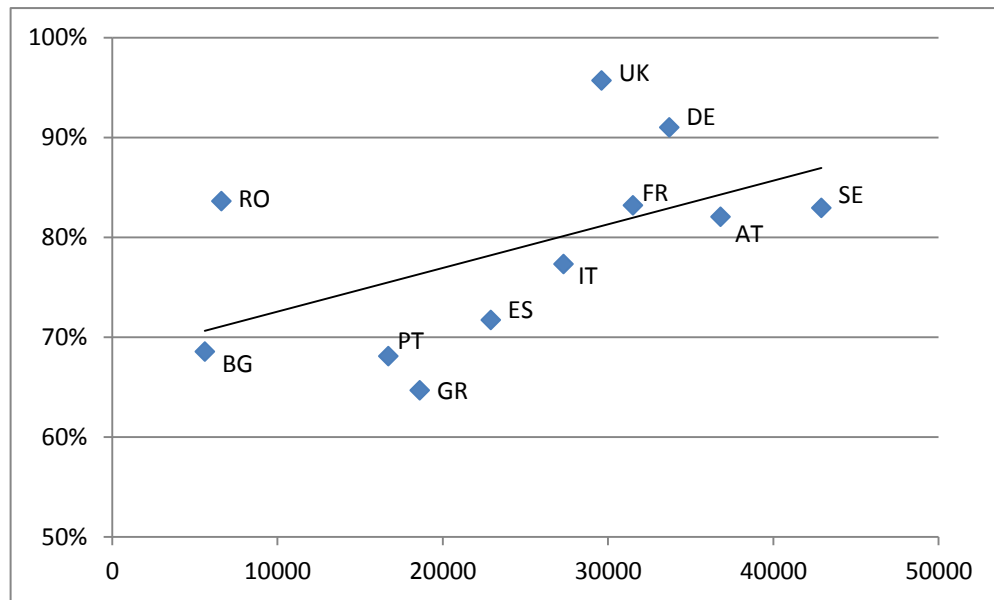


Figure 6.21 - Percentage of Occupied housing stock to GDP per capita in 2011 (Source: Eurostat, HC53 & nama_10_pc)

Figure 6.21 shows the positioning of the selected countries following the levels of occupied dwellings (permanently) to their GDP per capita. One may expect lower GDPs to relate with high occupancies as people have fewer resources to access second homes, but this does not appear to be the case. This is the case with Romania for example. This figure shows the intra-groups differences in this matter. Bulgaria is far lower than Romania and closer to Portugal and Greece, despite its significantly lower GDP per capita. Likewise, Greece differs from Spain and mostly Italy. Countries with similar rates of GDP per capita fluctuate in their occupancy rates like the UK, Germany and France. Overall as the GDP increases the rate of the occupied housing stock increases.

Focusing on the Heavy Financial Burden due to Housing Costs relative rankings are as shown in Table 6.16, with Bulgaria and Romania swapping places with Italy and Spain. The relative difference between Greece, Portugal, Italy and Spain is shrinking here, while Greece gains ground compared to Bulgaria. In Table 6.17 changes in relative Severe Housing Deprivation do not significantly change the positioning. Greece is topping the Southern European rates, while a sub-group of Greece and Italy is formed. Bulgaria relatively underperforms significantly compared to Greece, which is like in Table 6.16 also due to the two countries strong difference in GDP per capita.

Heavy Financial Burden Ranking in 2011			
Absolute		Relative	
Italy	54.7%	78.8	Bulgaria
Spain	52.4%	67.7	Romania
Romania	44.7%	22.9	Spain
Bulgaria	44.1%	20.0	Italy
EU-28	35.4%	19.0	Greece
Greece	35.3%	18.4	Portugal
EU-19	33.8%	13.6	EU-28
Portugal	30.8%	11.6	EU-19
UK	29.3%	9.9	UK
France	26.9%	8.5	France
Germany	19.8%	5.9	Germany
Austria	14.8%	4.0	Austria
Sweden	8.9%	2.1	Sweden

Table 6.16 - Ranking according to % of the total population under Heavy Financial Burden due to Housing Costs (source: Eurostat, ilc_mdcd04 & nama_10_pc)

Ranking per Sev. Hous. Deprivation (2011)			
Absolute		Relative	
Romania	24.0%	36.4	Romania
Bulgaria	14.3%	25.5	Bulgaria
Italy	8.7%	3.9	Greece
Greece	7.2%	3.2	Italy
EU-28	5.4%	2.4	Portugal
Portugal	4.0%	2.1	EU-28
Austria	3.8%	1.3	EU-19
EU-19	3.7%	1.0	Austria
UK	2.6%	0.9	Spain
France	2.5%	0.9	UK
Germany	2.1%	0.8	France
Spain	2.1%	0.6	Germany
Sweden	1.7%	0.4	Sweden

Table 6.17 - Ranking according to % of the total population under Severe Housing Deprivation (source: Eurostat, ilc_mdho06a & nama_10_pc)

Housing costs offer an interesting picture of how affordable and decommodified housing is in practice. For countries like Bulgaria and Greece, where outright homeownership is often used to implicitly or explicitly 'prove' decommodification or even housing wealth, housing costs is an extremely important factor to consider. Overburdened Greek and Bulgarian population is comparatively larger, with Greece showing extreme increases in rates. In Greece, housing costs take up increasingly larger part of the household budget, while Bulgaria is more resistant albeit exceeding EU average.

In Table 6.18 the relative ranking of countries according to the overall satisfaction with the dwelling (added High and Very High satisfaction) offers an interesting perspective. Despite high rates for all countries, when entering GDP per capita rates the ranking is reversed. This can be an indication that a standard of housing is maintained despite low GDP per capita rates. This is true for the clearly separated southeastern group, but also for Greece and Portugal which are differentiated than the other European ratios following. It should be kept in mind that satisfaction is a complex and strongly subjective matter and prone to cultural trends. Moreover Sweden, France, Austria and the UK had more than 50% very high satisfaction rates contrasting the rest of the list which had higher rates in high satisfaction.

Ranking per High to Very High Overall Satisfaction with the Dwelling in 2012			
Absolute		Relative	
Sweden	95.2%	140.4	Bulgaria
UK	94.3%	130.6	Romania
France	92.9%	56.2	Portugal
Austria	91.6%	48.6	Greece
EU-19	89.9%	39.5	Spain
Portugal	89.9%	33.6	EU-28
EU-28	89.3%	33.3	Italy
Italy	89.0%	30.8	EU-19
Germany	88.7%	29.2	France
Spain	87.7%	29.1	UK
Romania	87.5%	25.9	Germany
Greece	84.0%	24.4	Austria
Bulgaria	80.0%	21.4	Sweden

Table 6.18 - Ranking according to % of the total population declaring High and Very High Overall Satisfaction with their Dwelling (source: Eurostat, ilc_hcmp04 & nama_10_pc)

The following Figures (6.22 and 6.23) demonstrate the positioning of the selected countries based on their homeownership rates to GDP per Capita. The former relates the percentage of the total population owning their home with the levels of GDP per capita. Here, Bulgaria and Romania present some difference in their rates while having similar GDP per capita levels. Total homeownership rates are similar in the southern European group with Greece and Portugal being closer also in terms of GDP per capita. Other than that Germany and Austria stay together in homeownership rates, while Sweden escapes the trend having high homeownership with high GDP per capita levels. Overall, there seems to be a drop in homeownership rates as GDP per capita levels rise. When using outright homeownership rates (Figure 6.23) things differ. Bulgaria and Romania clear stand out as countries with high outright homeownership and low GDP per capita. The southern European groups is clearly disparate with Greece toping its cohorts and the other EU countries, despite the comparatively lower GDP per capita. There seems to be a slight trend of dropping outright homeownership as GDP per capita rises. Reading it backwards, outright homeownership seems to be higher in countries with lower GDP per capita. Portugal, Italy, Austria and the UK seem to deviate more or less from the trend.

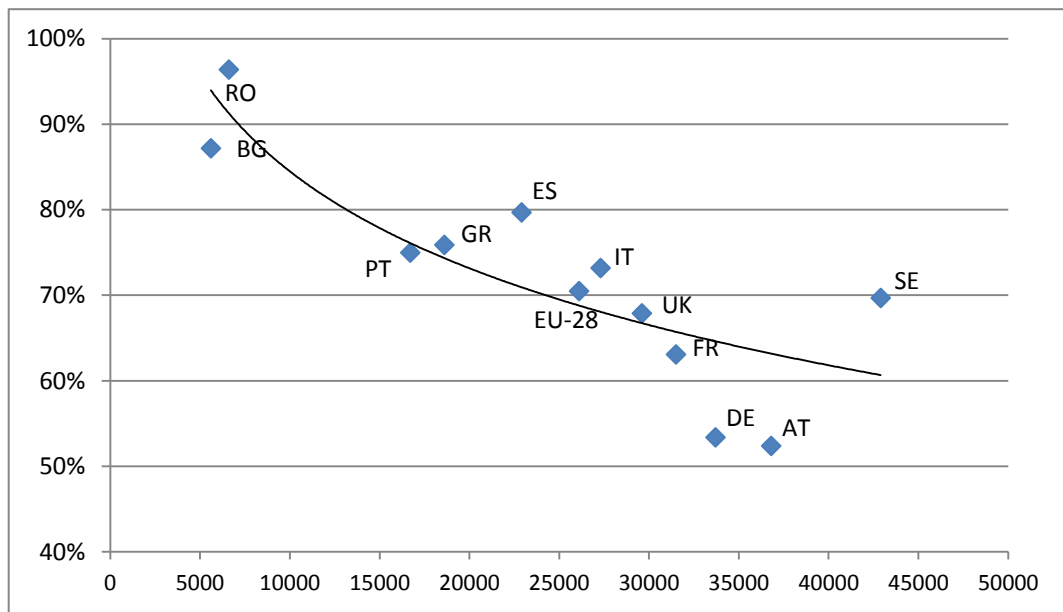


Figure 6.22 - Percentage of total Homeowners to GDP per capita in 2011 (Source: Eurostat, ilc_lvho02 & nama_10_pc)

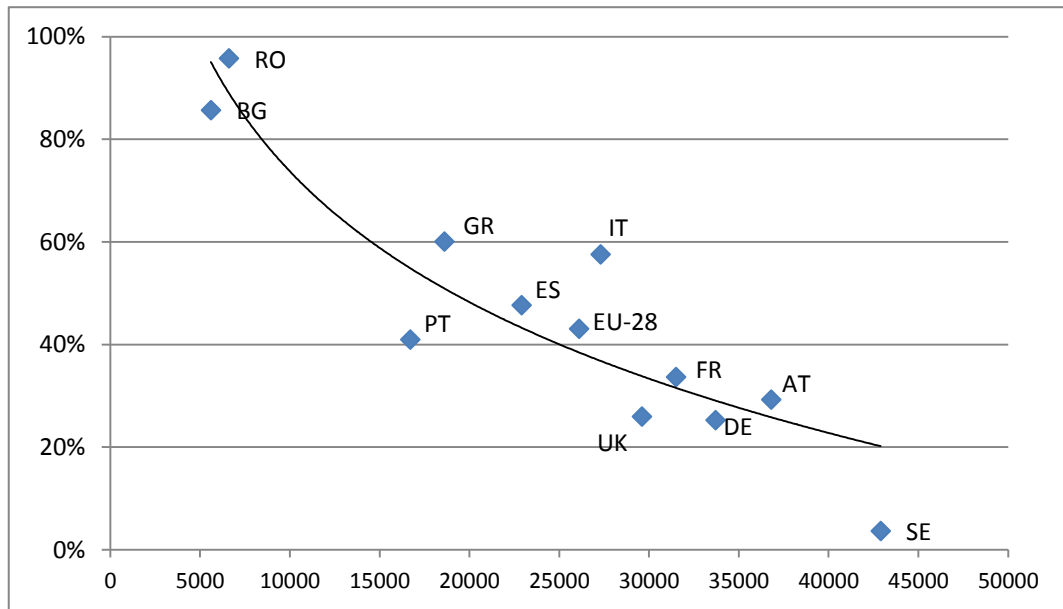


Figure 6.23 - Percentage of Outright Homeowners to GDP per capita in 2011 (ibid.)

According to Figure 6.23, Greece follows the leading southeastern European group surpassing other southern countries in outright homeownership. Nevertheless, this does not provide any kind of explanation for the reasons of such development over the years, it is more of a snapshot of an existing situation. Moreover, differentiation based on homeownership rates is not always clean-cut. Greece for example stands higher than the EU and Southern European averages and closer to Bulgaria, rather than closer to

southeastern European rates. So, it is often a matter of threshold definition whether to characterize some countries based on their homeownership rates. Outright homeownership is often a 'safer' albeit non-perfect indicator, as non-burdened homeownership can more easily be deemed as a defining factor of homeownership mentality concretization. In any case, universal labels of housing systems according to homeownership rates alone today seem insufficient even in terms of statistical data, and can only be used when comparing one country or system to another, at most.

Indicators of absolute performance (outright homeownership, age of stock etc.), gain a different colouring when considering the in-house experience like e.g. amenities. In 2015 Romania and Bulgaria presented the largest percentage of total population without indoor flushing toilet for household exclusive household use (ilc_mdho03) i.e. 32.8% and 18.6% respectively. These remarkably exceed the rest of SEE percentages i.e. Serbia with 4.2% and FYROM with 5.7%. Greece over-performed with 0.5% against a 2.4% of the EU-28, and being second in the SE group after Spain (0.1%). Similar trends are consistent regarding the percentage of total population with neither a bath, nor a shower in their dwelling. Romania (30.8%) is in significantly worse condition, while Bulgaria (11.6%) also exceeds SEE rates of Serbia (3.8%) and FYROM (4.2%). Greece again over-performs here with 0.5% against the 2.2% in EU-28, being only third in the SE group but better than Portugal with 1.5%.

The overall relative performance of both systems is debatable. Greece seems to underperform in some key indicators compared to its traditional cohort, while over-performing in others, but being overall closer to Italy. On the other hand, Bulgaria can be meaningfully juxtaposed to Romania and Serbia compared to which it often over performs. Absolute comparison with EU averages or western regimes one should tread lightly. Neither country had comparable industrialization to western realities. The following section focuses on housing experts and people opinions, trying to shed a light on seemingly 'unclear' links.

6.3 Interview Findings and Analysis

The present section is dedicated to presenting and analyzing the data and information produced during the interviews with Bulgarian and Greek housing experts and households, and from the respective recordings. The details on conducting and coding the interviews have already been discussed in Chapter 4. All sub-section have been thematically organized in a structured modular manner to improve comprehension and support relevant discussion. The reader should not seek for the same structure in the following sub-sections. Despite the topic guide - which undoubtedly kept things from straying off topic - each interview followed its own path and focused differently on various matters. What has been extensively discussed in some interviews has been less present in others. For this chapter the following symbols are encountered:

word~	Semi-concluded thought. In cases, it replaces the semicolon use (;)
word-	Self-interrupted or unfinished thought or phrase
-word	Continuation of previously self-interrupted thought or phrase
(word)	Necessary explanatory detail based on participant's words elsewhere on the interview, transcribed or not
((word))	Researcher's best guess or clarification on meaning
[interpreter]	Transcription of reply interpreted by a professional in real time
[...] phrase/sentence	Beginning of autonomous thought consisting part of a wider topic
phrase/sentence [...]	End of autonomous thought consisting part of a wider topic
sentence [...] sentence	Closely recorded linked thoughts complementing or expanding each other, interrupted by the participant, an external cause or by a follow-up/probe question from the researcher, and should be read as a whole
<u>Word</u> , word or <u>word</u>	Emphasized word or phrased, by the interviewee

Table 6.19 - Transcription Symbolization (source: author)

6.3.1 *Bulgarian Housing Experts*

This sub-section regards the professional opinion of housing experts in Bulgaria, and is mostly linked to research objective 3, Hypothesis B, and research questions 2 to 4. Categorization of topics follows a thematic classification. Housing policy is presented by a historical milestone and examining the situation before and after 1990. Housing familialism is discussed next and separately from contemporary housing issues which are the last part of this sub-section. From a research methodology perspective interviews with housing experts revolve around an ex post facto explanatory approach on the Bulgarian housing system and mostly regarding housing strategies and mentalities and housing policy evolutionary paths.

1. Soviet-Socialist Housing Legacy

Evidently one of the most obvious Soviet legacies is the housing-blocks stock of that era, dominating the whole areas in the Bulgaria large cities' urban landscape. Thousands³⁵ of these massive multi-apartment buildings were built during Communism with the prefabricated panel construction method; named as 'Panel-blocks', *Panelka* (Ivanova, 2015) or *Panelki*³⁶ in Bulgarian slang. This method of construction seemed to solve the acute urban housing issues of that era, mostly related to massive rural-to-urban migration and rapid urbanization. This way the Communist regimes had been able to fulfil its 'promise' for decent housing provision, but led to buildings with a shorter 'expiration date' and serious quality issues in terms of thermal insulation and overall energy efficiency. Numerous Legacy housing blocks now present extensive structural problems and deterioration due to bad construction quality and poor maintenance during the years. Same goes for the marginal social housing still owned by municipalities.

"[...] the Communist regime was very dedicated to providing decent housing~ that was kind of part of the promise that they made, unlike I think, in countries that were not Communist, you know, whether they were in Europe or they were Latin America for example. [...]"

³⁵ Probably more than ten thousand Housing-blocks in Bulgaria

³⁶ Often bearing a pejorative colouring

On the private housing construction sector front, the Socialist era inactivity led post-1990 to technically inexperienced and often academically non-qualified construction companies. This was mainly due to the fact that pre-1990 construction was undertaken directly or indirectly by the state, limiting the chances for the private sector to gain experience. As a consequence many of these then newly founded companies soon went bankrupt leaving semi-constructed stock. Buildings completed during these years³⁷ were of better quality compared to panel-blocks but still sub-standard in modern quality terms. The contemporary urban landscape has been marked by the numerous multi-family Gated Communities, especially in Sofia. Leaving aside the discussion on the social and urban design effects of the Gated communities, they are also somehow linked to pre-1990 mentality of the Socialist Elite residing in better and secluded housing complexes, regardless of public or private ownership status.

High homeownership rates are one of the dominant characteristics and structural elements of the Bulgarian housing system. What is more interesting is that the percentages of homeownership had been established before and were high during Communism – unlike other countries of the former soviet-bloc. In the Bulgarian Communist structure homeownership had a prevailing role, proven by the fact of newly-built housing units being sold almost immediately at discounted prices. Post-1990 already high homeownership rates were increased further with the privatization³⁸ of the limited social rental housing sector³⁹, and restitutions. Today, the marginal public housing stock is mostly located in big cities while the poorest population resides in the countryside where the lowest quality housing is located.

The causes of the historically high homeownership are not always clear to define, and often too hard to set a starting point. The country's strong agrarian past and the links to 'small-property' seem to have definitively affected this development. During Communism homeownership had been reinforced both due to a societal direction and low need for mobility. For most people any kind of social or residential mobility was something irrelevant, as even the change of city was exceptional and limited to specific groups of

³⁷ 1st construction boom, 1992-1995; 2nd boom after the hyperinflation crisis, 2001-2002; 3rd boom, 2002-2008. In tourist areas construction boom took place between 2005 – 2009 exploiting the urban potential largely underused during Socialism

³⁸ Transfers of former municipal housing stock is in some cases related to ownership issues i.e. people owning the house while the municipality retaining the ownership rights over the land

³⁹ Public housing from ~15% pre-1990 to a current ~3%. Restitution in Bulgaria mainly concerned the retail sector (shops) and other property assets, rather than housing

people belonging to the Communist elite or to certain workforce. This eventually led to people establishing a strong connection to the land, area, neighbourhood city etc. they lived in. With time different aspects of homeownership were strengthened too, like its social status significance (mostly during the recent years).

“Well, I do think that this is a very positive factor. The high rates of homeownership are very positive. This is not such a big advantage, but it is an advantage. One of the very few advantages we have, in our part of Europe I mean [...]”

“[...] So, definitely indebtedness in Bulgaria is very low. And I think that’s, you know, from my point of view, this is again related to the high homeownership rate- I think that’s actually a good thing.”

Without a doubt today homeownership is considered a social good hedging against homelessness, and linked to the overall macroeconomic precarity of the population. Low family income levels and pensions render renting prohibitive, even where this could be considered as an option. While there has been an attempt to look into the rental sector and in comparison to homeownership, ‘Tenure’ and ‘mobility’ seem to have little to do with the Bulgarian case as most people reside in the same houses they and their parents lived pre-1990. This clearly indicates a continuation of the pre-1990 low-mobility culture. Being presented dominantly as a necessity, it was hard to conclude on whether renting can be more attractive than homeownership – even exceptionally. The fact is that for low incomes renting does not seem to be financially viable for the time being. Higher income families will never consider renting, from a social status perspective, opting for a single-family house in the outskirts of big cities.

Finally, the whole pro-homeownership mentality seems reinforced by the fact of societal perception of renters being a risk to leased houses. This drives many landlords not offering their house for rent, even when they go abroad for a long period of time. Same goes for newly-built better-quality stock left unsold due to the financial crisis effects. Renting does

not seem financially attractive neither for the renter⁴⁰ nor the landlord⁴¹, and mainly remains as a marginal and temporary solution for specific types of people or low-income families. Moreover despite low mobility, with time homeownership has been socially solidified and institutionalized as a basic standard, linked to a psychological stability otherwise jeopardized.

“[...] and I think it’s a kind of cultural element, I would say ontological connection with the fact that you want to own you place, especially in a time of social change when all the world around of you is falling apart, as it was the transition of the 1990s, and you want psychologically to think that you have a place which is safe, and at least you don’t go to street.”

It has been made absolutely clear during the interviews that the South-eastern European *homeownership* has a fully different cultural meaning than in the USA and western Europe.

2. Post-1990 Housing Policy

One of the most dominant shifts which accompanied the transition from the Communist to the modern era was the full retrenchment of the state in many sectors including housing. The post-1990 period was in many aspects chaotic rather than trouble-free, especially during the early years. While the state radically retrenched and largely denounced its *social role* people got exposed to (liberal) market forces which eventually led to socio-economic inequalities. This ‘transition’ or rather ‘transformation’ of the state had a double impact on housing. *Directly*, it seriously affected housing provision as the state withdrew from its role as a direct provider – constructor and allocator – of new housing units. *Indirectly*, excessive interest rates and problematic motivation of the small-scale private initiative created an affordability and accessibility problem to medium and low income families. The aforementioned eventually led to high rates of *immigration*, *extensive vacancies*, *cohabitation*, *low-quality self-building* and an aged *poorly maintained* housing stock.

⁴⁰ Income precarity to cover rent payments, low protection against eviction

⁴¹ Rent precarity, low return, high misuse risk, slow eviction processes

During the first decade following the regime change, housing policy entered a deep *laissez-faire* phase where housing evolution seemed to have no clear policy direction. After that period a hesitant national housing policy was attempted, but heavily impeded in terms of implementation due to lacklustre support leading to low fund absorption. After all, many promising policies were put and stayed on the shelf. During the last decade there was a notable shift with most housing-related programmes specifically targeting energy-efficiency and upgrade of pre-fabricated Legacy housing stock, and involving EU funding one way or another. While some initial issues have gradually started being dealt with – like high homeowners’ financial contribution levels – policy implementation is still problematic. Convoluted bureaucratic processes constitute a great obstacle and deter most eligible citizens from participating, even when costs are fully covered. In many cases people are not even in position to fill in the necessary forms, also due to supporting mediating institutional structures being mostly inexistent. In turn, low participation leads to low absorption of EU funds that are wasted left unused.

According to most housing experts it is not always clear and clean-cut whether the overall post-1990 state absenteeism was a conscious and planned political decision. Definitely some issues in housing were left to evolve themselves in a chaotic and unstructured way, but this had been made possible due to the state’s tolerance like for example informal or even illegal self-building. In any case, no policy is *de facto* a policy itself i.e. *by default*. During the socio-politically turbulent post-Communist years, withdrawing from the social housing sector seemed to be the ‘easiest way’ in terms of public-spending cut, and time and effort required to create a system that would succeed the previous one. This ‘withdrawal’ had been facilitated by the historically very limited social rental housing sector and a generalized social demand for *less state* in all aspects⁴². People did not expect nor wanted non homeownership-related state housing post-1990, within the ambient of an overall ideology shift. In any case, there was no pre-1990 socio-political culture of social rental sector nurtured, so as to be expected after the regime change. Most expectations revolve around protecting and promoting homeownership and lowering housing costs⁴³. Municipal housing is usually deemed as a solution only for the poorest of the Bulgarian citizens.

⁴² structural elements of (housing) *privatism*

⁴³ Utility, maintenance, upgrade etc.

Currently, housing issues are not at the top of the agenda. Experts noted that peripheral matters like infrastructure only seem to focus some attention, and then again this is not consistent. Housing conditions are usually ignored or overlooked until the situation becomes critical. Recent years saw the energy upgrade of Legacy housing blocks returning at the forefront, but with a number of implementation problems of such programmes, as already discussed. Infrastructure is better in urban centres but still lacking, and is one of the reasons there is such a price discrepancy between urban (expensive) and rural houses.

One kind of indirect state aid is the provision of incentives to young families wanting to acquire own housing. These kinds of financial support usually come in the form of tax reliefs⁴⁴. This is not a solution for low income families having no access to the mortgage loan market and mainly concerns higher income strata. Additionally, young families usually cannot afford buying a property.

Some marginal social housing policy is implemented in a fragmented fashion from municipalities. Local administration has total control over the very limited remaining owned stock. This stock is almost depleted being gradually transferred to beneficiaries fitting the eligibility profile, and resulting in more homeownership. However, such initiatives are extremely rudimentary in terms of horizontal and vertical coverage⁴⁵ due to low available stock⁴⁶ and consequent strict eligibility criteria⁴⁷. Bigger municipalities tend to have stronger and more multifaceted housing policies as a lever to retain their urban population, also due to owning a comparatively larger stock of social housing. Obligated to carry out whatever housing policy in full, municipalities are closer to citizens and considered more responsible than the central state. Often, they are regarded as something completely separate, despite them just being at a different level of the same state mechanism.

During the interviews there was no clear indication on whether there is some expectation or desire for the state to assume a part of its former active role as a direct sponsor of social housing units. The efficiency and reinforcement of its allocative and regulative role remains a key issue nevertheless.

⁴⁴ Deduction of mortgage interest payment from taxable income etc.

⁴⁵ People of the same social class and different social classes respectively

⁴⁶ Most municipalities have few to none Social housing units

⁴⁷ Duration of using the asset, acute housing needs etc.

3. Housing Familialism

Bulgaria is described as one of the countries characterized by strong *familialism*. However, this label is too generic to say much on its own, and especially in housing issues. Instead *housing familialism* seems more proper for the task. What seems to have historically been a cultural element linked to the rural-agrarian past, expanded to housing due to recent decades' shift in housing policy.

According to Housing Experts interviews, despite its limited resources family's role in housing remains strong, also due to the prolonged financial difficulties of the Bulgarian people⁴⁸. *Housing familialism* appears to have been reinforced post-1990 with the radical change of the state's role in housing. The wider family network and more specifically the family core tried to fully assume the burden of providing access to housing for younger members and their families. Intra-family transfers are the main means of supporting younger members and families. *Inheritance* and *parental donations* (in money or in kind⁴⁹) are the most common routes for Bulgarians to access housing in Bulgaria. Those without such an opportunity will have to settle for very costly alternatives (renting, mortgage loan), or leave the country and work abroad trying to save money for housing acquisition. While inheritance and parental donations may be deemed to solve the housing problem in a 'cost-less' manner, they often lead to overcrowding (under-sized assets) or increased maintenance costs (e.g. over-sized country houses). Of course the former also relates to a sometimes *de facto* cohabitation⁵⁰ and low mobility⁵¹ which constitute pronounced cultural features of the Bulgarian reality, further reinforcing familialism bonds but also dependencies⁵². What has been kick-started due to a necessity, leads to a socio-cultural inertia. Even when young families leave the family nest they often stay in the vicinity ensuring an '*intimacy at a distance*'⁵³. A result of the aforementioned is the average Bulgarian household owning more than one house, where the secondary one is usually at the countryside, poorly maintained and underused.

⁴⁸ Low wages and pensions, precarious employment

⁴⁹ Selling an owned asset giving the money to the children or donating it as a residence (if not inherited)

⁵⁰ It's not always a matter of choice but a lack of viable alternative

⁵¹ This is also closely related to an underdeveloped labour market. As a principle mobile people prefer to leave the country rather than roam in it

⁵² Like in-house welfare provision from parents to young families (child-care) and vice-versa (care of the elderly)

⁵³ As stated by a Housing Expert

Overall, *housing familialism* is a way for the family to try and hedge against macroeconomic precarity and job insecurity. Towards this, informal Self-building⁵⁴ mostly by input of own labour is one of the traditional familialist means to ensure housing for the family members. However, in practice this was and still is primarily limited to villages and concerns single-family houses. The existence of self-building is in most cases related to insufficient or lacking social housing policy and poor people not-having access to an alternative. Informal Self-building should be distinguished from self-promotion of housing which is about hiring professionals – with or without bypassing legal procedures – and concerns rich families. Peri-urban informal housing is also the lesser than two evils i.e. substandard housing and homelessness, for people migrating from rural to urban areas and linked to poor infrastructures.

4. Contemporary Housing Challenges

Housing Stock Issues

As already discussed previously in this chapter, maintenance and upgrade of the existing Legacy housing stock pose as a great challenge. This kind of housing is prevalent and extensive in urban centres where the majority of the population resides; therefore, dealing with these issues is imperative. Repairing and upgrading the Legacy housing stock is expected to be costly, but deemed overall cheaper compared to demolishing and rebuilding.

Extensive vacancies, mainly due to people leaving the country to work abroad and shrinking demographics, are a serious problem with a twofold effect. On the one hand these assets remain under-used and usually poorly maintained which eventually affects the building's physical condition and financial value. On the other hand, departed owners are often too hard to locate and communicate, and even harder to participate e.g. in building-upgrade programmes. This has led to numerous blocks not being able to make use of such kind of aid.

Vacancies are not just an urban issue; whole settlements in the countryside are under-used leading to serious degradation problems. Despite ownership of housing assets – one or

⁵⁴ Or even illegal housing for vulnerable groups like the Roma population

more – these properties do not seem to have a viable investment perspective, both due to mentality and for reasons related to the assets' marketability⁵⁵. The lack of the viable possibility to sell their house and go elsewhere results in a gradual sociological tie to the primary residence, which is then presented as a reinforced cultural characteristic. What has been made sure during the interviews is that despite very few exceptions, housing cannot be regarded as an investment means in Bulgaria, at least for the time being. More than that, country-houses owned may pose a reason for increased family expenses in the near future, due to degradation. These assets supposing there is some demand, cannot cover for ensuring housing in a city, even a significantly smaller one.

“[...] there will be physical change in the units themselves. First of all, a lot of these units that were built in the 60s and 70s they are not sustainable. There actually were built with a certain life expectancy of thirty years, and they are beyond that thirty-year period. So, eventually they cannot be occupied. [...] or the state has to invest much more significantly, and I don't know where it's gonna come from, to actually fix that. So, these physical characteristics that are inherited from Socialism, is definitely something that is- will contribute towards how things will change in the future.”

Analyzing from a different perspective, Legacy housing stock constitutes a powerful catalyst *per se*. Its very existence, along with the problem it carries, is an ever-present and unquestionable pressure factor which will sooner or later lead to serious housing policy amendment and transformation, boosted by the generational changes and demands for better housing conditions. On the latter, Bulgarians seem to somehow prefer also an aesthetic upgrade of the urban landscape heavily identified by high-rise massive Legacy housing blocks. Moreover, recent years saw the increase of a trend towards single-family houses which was previously insignificant, mainly due to practicality reasons like substandard infrastructure and unaffordable housing costs.

⁵⁵ Location, age, maintenance quality, space, demand etc.

Institutional Mistrust

The widespread social mistrust towards institutions, both regarding effectiveness and transparency⁵⁶, has also been verified during the Housing Experts interviews. In housing clientelistic practices are mainly related to informalities with building permits, but such cases are overall rather limited. However, the overall scorn towards the political scene and the central state also affects expectations on the housing policy front. This reality seriously undermines the bottom-up dynamic of any given policy and in therefore its implementation. In Bulgaria, mistrust has been generated as an after-effect of the turbulent post-1990 transition and built-up from there. In the following years it set itself as a reinforcing factor of a social individualism and political and financial privatism; also allowing for more state ‘withdrawal’ in ‘costly’ sectors like social housing. For the same reasons, the Social Capital in Bulgaria is still weak but with some positive signs of self-empowerment⁵⁷. Institutional mistrust is also one of the main reasons for low participation in state and EU funded housing upgrade programmes.

“[...] But as a whole I would say that people get used to think that they should survive by themselves and that they cannot rely pretty much on the state [...] yes, absolutely the trust towards institutions is very low, so- therefore the expectations to the state intervention are not that much~ [...]”

“[...] I am very suspicious of the state- social policy is very good of course~ very good, but one disadvantage, one big disadvantage of social policy is that it is conducted by the state. And this is something I do not believe in [...] So, I really think it is much better if something can be provided without the input of the state, it’s much better. So, the state should provide indeed housing only for the poorest (inaudible)- who are not able to buy, how do not have any access. So, I think that this is positive. [...]”

⁵⁶ Also linked to implications on clientelistic and corruption practices

⁵⁷ Compared to the first decade post-1990

The Banking Sector

Despite gradual improvements the Bulgarian banking system remains inaccessible or unaffordable for the large part of the population. Money going to housing acquisition in Bulgaria is usually generated by working abroad and saving. This is also due to macroeconomic hardship leading to low wages and high mortgage loan interest rates. Apart from that, low state-regulation, low debtor protection and transparency issues lead to low trust and high aversion towards the banking system⁵⁸. This in turn weakens participation in EU and national housing upgrade programmes passing through banks. Pre-2008 mortgage loans increase are now linked to serious repayment issues. As a result, the percentage of bad and restructured loans has dramatically increased during the last five years. Deadlock in the mortgage loan market is a serious issue affecting access to an otherwise inaccessible newer housing stock, and younger families becoming independent in housing term.

Off-interviews note: There is an increased need for housing finance in both countries, and especially regarding the retrofitting and energy upgrade of the older housing units. However, the GFC has left the banking sector hesitant to grant new loans, also considering the macroeconomic instability in Greece and low wages levels in Bulgaria. People on the other hand, facing severe income difficulties avoid banking lending as much as possible.

European Union Policy

There is an overall belief that the European Union has an important role to play in improving housing conditions. While the role of the EU remains subsidiary regarding national housing systems, indirect policies like energy and infrastructure upgrade of the building stock are seen as a very useful opportunity for Bulgaria. However, there are doubts on whether any part of these funds will go for the construction of social housing, as it is not expected for the national housing policy to follow such a direction. On top of all this, housing is not yet a priority sector on an EU level. EU funding effectiveness is still limited due to internal policy implementation obstacles like convoluted bureaucracy, slow state and municipalities reaction, and lacklustre information of the citizens; sometimes with phenomenal outcomes like piecemeal retrofitting of Legacy Estates' facades. This kind of

⁵⁸ It is common using consumer loans for housing repairs

fragmented implementation of upgrade programmes fails to improve the overall quality of the building blocks and the surrounding area, leading to resources being practically wasted. Apart from the national level bureaucracy, typicality and transparency required for the EU funding is not always compatible with people being used to dealing with housing issues in a rapid and semi-informal way; driving things back to privatistic approaches. Nevertheless, EU funds have the potential to kick-start a systemic restructuring and widening of joint⁵⁹ housing upgrade schemes, as EU programmes seem to improve with time in terms of planning and implementation.

6.3.2 Greek Housing Experts

Otherwise similar to the research approach in previous sub-section i.e. same connection with research objectives and questions, organization of topics follows a different form here. Historical evolution of the housing system is first, followed by the discussion on citizenship matters, housing familialism, housing financing, the rental sector standing and social housing. Discussion on contemporary challenges concludes this sub-section.

1. Historical Evolution of Homeownership

Being a strong structural element of the Greek housing system, pro-homeownership mentalities constitute an unquestionable sociocultural characteristic, despite lower owner-occupancy rates (~76%) compared to Bulgaria. Policies favouring homeownership strongly supported and sought after on a civic level, while policies offending it are generally resisted. Notably, the protection of the primary residence is a long-lasting constant topic of the political rhetoric.

“Small-ownership is also the poor man’s weapon, from a certain point of view~ thus, he stubbornly latches on it~ and ownership in general [...]”

“[...]Because owned housing absorbs a lot of money large capital, houses a small number of people, and eventually creates a property element but does not secure housing for large parts of the population which for me is the objective. [...]”

⁵⁹ EU and national funds with the central and local administration having a leading role

According to the Greek Housing Experts interviews homeownership prevailed in the Greek housing system due to post-1950 political decisions and state actions or inactions, combined with a strong civic initiative. The main *driver* which initially led to high homeownership levels can be located in the post World War II acute housing needs, especially in the urban areas. Urbanization in Greece was not related to industrialization⁶⁰ like in North European countries or the Communist bloc, but rather linked to immigration and internal rural-to-urban migration⁶¹. The agricultural tradition of owning the house was also carried over, with a parallel retention of the family house in the countryside, usually of low financial value.

The post-war housing needs were sufficiently covered due to an overactive private construction sector. In an otherwise precarious macroeconomic and production system, housing construction proved to be a thriving industry, boosting homeownership further with time, mainly by providing more and better housing, taking advantage of the conscious ‘statelessness’ and being exceptionally flexible in financial and procedural terms. The housing construction sector boosted urban economy for many years serving as a tool for ensuring housing and employment alike.

High homeownership rates could not have been achieved without two basic prerequisites, ‘statelessness’ in housing and *small-scale land ownership*. In the post-war context ‘turning a blind eye’ seemed the best solution for the Greek state. Firstly, this route allowed for the private construction sector to have the initiative and eventually dominate housing production in any way possible – formal and informal. This in turn provided a partial solution to unemployment issues in the post-war decades boosting the GDP and contributing to sociopolitical normalization. Secondly, laxity in restrictive regulation and controls, along with homeownership promotion/protective policies, tacitly ‘allowed’ the state to deliberately never develop social rental housing sector and overall minimize social housing policy costs.

“[...] it created a legislative framework which essentially allowed the private initiative to create and to run, to develop the entire Greek housing sector.”

⁶⁰ Which has been rather weak and volatile overall

⁶¹ Driven by sociopolitical and geopolitical reasons

Small-scale land ownership was a key factor in covering acute urban housing shortages post-war, serving land-owners and constructors alike. Mainly through the system of *Antiparochi*⁶², poor land-owners were able to trade their small-scale land for housing property⁶³ with zero-cost. Constructors on the other hand, gained access to no-cost land allowing for lower capital cost and higher profit potential due to high built-to-surface ratios set by the urban planning agency. This kind of ‘fragmented’ land-ownership also significantly promoted self-building relieving people from land acquisition cost rendering house-building feasible. This included informal building as it was usually cheap or anyway accessible to buy some small parcel of land in a peri-urban unplanned area and start building there.

The important issue with land-ownership and informal self-building is the fact that it was not about squatting as people had property rights on the land. It was more of allowing the private sector to covering acute housing needs with the tolerance and under the tacit or explicit protection of the municipalities and the central state. During the various stages, the role of the state was targeting the retro-legalization of informal⁶⁴ and illegal⁶⁵ building already completed, rather than the prevention of the phenomenon.

With time, what was the consequence of a passive/absent state and a partial solution to acute housing needs, gradually became a lever for unregistered profit and speculative investment i.e. unrelated to covering housing needs. This was mainly linked to small-scale constructors and building informalities, but was allowed to thrive due to the state’s and society tacit tolerance. On the other hand, homeowners would get larger properties albeit with unregistered spaces, and the state would see the GDP boosted due to a thriving Construction industry. Any attempts to counter the phenomenon of illegal and informal construction during the years were too under-funded and fragmented to have an actual or lasting impact.

⁶² A kind of private legal-commercial agreement between the constructor and the land-owner, with no state intervention

⁶³ One or more apartments depending on agreement, construction cost, land value etc.

⁶⁴ e.g. Exceeding height and area limits, and/or disregarding set building standards

⁶⁵ e.g. building outside the planned urban zones and where not allowed

2. Citizenship matters

According to the interviews with the Greek housing experts there was a clear link between aspects of citizenship and homeownership. *Firstly*, the long-lasting indirect but clear state protectionism and favouritism of homeownership, along with the state's passivity, allowed the expansion of a *laissez-faire* housing system. Gradually, the private sector dominated housing provision, leading to a solidified housing Privatism. In this system any state action supposed to hinder or offend homeownership in any way would be automatically rejected and opposed. *Secondly*, as a consequence people would have no other expectations from the state than to stand aside (no obstruction) and at most to provide some indirect aid (passive enhancement). *Thirdly*, within this mentality informal and/or illegal housing gradually drove citizens farther away from the state regarding housing matters. Post-legalization of informalities and illegalities had the additional effect of entering into the system i.e. a more normalized citizenship. *Fourthly*, homeownership of the previous eras – especially with its social element – was a way to effectively decommodify housing i.e. ensure its provision outside the labour-market and the state. Gradually, homeownership has been established as a key element of civic and political independence and 'freedom', contrary to renting which has always been deemed as a financial and even political⁶⁶ 'anchor'. This was of course related to the 'liberty' to build whatever wherever during the post-war years.

"[...] Namely, all this part which is 'outright ownership' i.e. 'You owe no money', is somehow outside the market. It is use-value let's say and it is not exchange-value; but potentially and if you want to put in on the market or you are pressed to put it on the market- [...]"

Fifthly, the aforementioned paths eventually led to a civic passivity and 'indifference' regarding claiming welfare rights. However, there are no evidence of a *welfare trade-off* i.e. decommodified homeownership for a weak welfare state. The weak welfare state led to gradual disappointment which given the high debt-free homeownership led to tolerance, allowing for a civic normality. Homeownership seemed to function as a socio-political *stabilizing factor* and catalyst.

⁶⁶ No clear link here

“[...] what you can say, and is a very sound hypothesis, is that the political radicalisation as it is expressed with the vote, of very wide meso-strata has to a very large degree been related to the threat of their property~ [...]”

“[...] making someone owner the logic is that you render him somehow bourgeois who starts having things to lose, and he is politically conservativised as an owner etc.[...] in parallel to the ownership a very big role was of course played by the fact that there was a great upward social mobility. One of the pillars of this upward social mobility was ownership too ((especially post-war)).”

“The citizen functions also like the state. He wanted the freedom to choose how his house will be, the constructor wanted the freedom build whatever he wanted, he wanted to take as high a loan he wanted without anyone telling him ‘you cannot get a loan’ centrally putting some limitations and barriers, he wanted all these. [...]”

Lastly, homeownership is still a key factor of social integration.

“[...] some groups, and especially the vulnerable groups are outside this protection net ((homeownership)), especially immigrants that only a small part of them has access to homeownership and in fact it gains this access after quite a lot of years of stay here~ and this is one of the main indications that it has been smoothly integrated into the- society within which it is found.”

3. The Construction Sector

During the Housing Experts interviews it became clear that the housing construction sector has been historically lacking in terms of a wider scope, failing to tap its broader potential and achieve higher turnover. Small-scale and fragmented housing constructions constitute the basic characteristics of the pre-crisis construction industry. Without a doubt, this has also been a result of small-scale land-ownership allowing local constructors’ activity –

often informal – also due to lax state planning regulation. Likewise, this did not allow for mass, large-scale housing developments – also with a social housing aspect.

“[...] As the framework within which the construction evolved post-war was such as not to allow the entrance of big players~ neither large land owners nor large constructors. On the contrary, there were institutional provisions which rather protected the reproduction of small players inside the- they favoured i.e the fact- they favoured and protected both the small landowners and the small-scale constructors.”

“[...] the background has always been the market; it is a prevailing framework within which the other two players play; Both the state and the family are actors only affecting to a certain degree the terms by which one can increase- decrease his effectiveness in managing the market mechanisms.”

4. Housing Familialism

Familialism in Greek housing system is more pervasive compared to Bulgaria, and a key factor boosting homeownership status and mentalities. In terms of duration Greek housing familialism has affected housing outcomes for far longer than in Bulgaria.

Historically speaking housing familialism has been both an outcome and a homeownership-boosting factor. On the one hand familialist practices like extended cohabitation, parental grants, inheritance, residence proximity etc. have always been used as a strong hedge towards macroeconomic and welfare precarity⁶⁷, and in order to ensure housing to younger generations⁶⁸. *Inheritance* has always been the most important factor of the transcending homeownership.

“[...] the problem emerged when family became unable to offer this alternative solution to the second generation new family in order to start its life. For a certain period this had been veiled, but I do not think this can be

⁶⁷ Mainly through in-house welfare provision (child and elderly care) and by relieving younger members from housing costs

⁶⁸ Ensuring owned housing is considered a kind of ‘prerequisite’ for the formation of a new family, unless for serious housing quality compromises in the rental sector or cohabitation with the parents, and all the related consequences

veiled anymore in the sense that the guest under the family house sees and understands very well that this is not a solution. And he understands that family does not offer a protective umbrella, it offers him an elementary cover regarding housing, but no it does not satisfy his housing needs, it does not ensure housing, it does not offer the opportunity to have a truly decent housing.”

5. Extended Homeownership

Extended homeownership mainly concerns owned assets beyond that used as a primary-main residence and is mostly related to the following two phenomena: firstly, housing familialism led through inheritance to multiple-ownership of houses where the secondary or even tertiary is in the countryside where the family has its parental roots. These Secondary houses are usually of low marketability and financial profitability value, under-used and poorly maintained. Secondly, families living in urban apartments and not having access to some country house, sought to acquire one covering their vacation needs. Housing experts noted the contribution of secondary houses to achieving a complete housing experience; deterioration of the urban housing quality drove many people to secondary vacation housing.

6. Housing Financing

The banking sector functioned as a homeownership booster in the 1995-2007 era, accompanied by the construction sector and a favourable pro-homeownership state protectionism and social housing policy ‘statelessness’. These three factors assumed the already high-momentum homeownership strongly driving its transformation from a social need to a solidified cultural characteristic. This systematic promotion of homeownership led to an over-consumerist mentality affecting ownership of multiple property including houses. Consequent of the favourable lending terms of that period was an uncontrollable construction boom resulting in a large housing stock. The perceived financial prosperity of the sector led to over-inflated loans and in some cases to housing bubbles.

“[...] to the easy access to borrowing, the low interest rates, and the change in the existing mentality i.e. this easy money also changed the way people was seeing borrowing, and the easiness to acquire an even bigger house even if it was beyond your capabilities, it gave you this opportunity- [...] During that period, I think, no one was seeing the danger, and everyone was lax~ the borrowers were, the banks were, which obviously had interest in lending as much as possible”

Post-2009 and mostly due to the Greek debt crisis, mortgage lending for housing has become notably stringent in all aspects i.e. terms, percentage of coverage, eligibility criteria etc. While this shift may be deemed as more efficient in terms of protecting both the borrower and the banking system, it does not provide a solution to mortgaged homeowners from the previous era, now facing serious repayment issues.

Currently, mortgage lending does not constitute a viable option for the majority of the Greek people both due to austere procedures, low purchase price coverage, high interest rates and overall income precarity. The crisis has *de facto* led to a regression of the pre-2000 strong anti-loan mentality⁶⁹, and private arrangements with local constructors and technicians – usually outside the state’s control.

Overall, the percentage of mortgaged Homeowners in Greece is fairly low, with most of them already owning a debt-free asset (*see* section 6.2 for detailed statistics). Unless for a significant improvement of the macroeconomic stability, taxation and employment rates the Greek mortgage loan market is expected to stagnate for some years to come; young people will have no incentive (due to high homeownership, cohabitation, inheritance etc.) or financial capability to assume a housing loan.

Investment and Savings perspectives

Discussions with housing experts indicated idiosyncratic elements regarding investment perspective. *On the one hand* purchasing a house either for owner-occupation or as an income generator is rarely seen as an investment in the Greek context, outside the

⁶⁹ Housing acquisition has historically been based on the wider family network’s savings efforts

construction sector⁷⁰. In the first case primary residence is not destined to be sold or traded-off for many years and especially when purchased through a mortgage loan. In the second case, low returns of the rental housing sector rendered such practice marginal and at most supplementary. Financial exploitation i.e. selling or renting owned housing assets, has historically been mostly linked to inherited units other than the primary residence, usually aged and poorly maintained. *On the other hand*, housing self-building and/or purchase have always been a safe haven for family savings – including those coming from undeclared work – and the family's future.

For many decades and within an overall precarious Greek macroeconomic context, lack of viable investment alternatives established property acquisition as dominant investment vehicle. Homeownership – anyway linked to prioritized housing needs – has been severely carried away by this trend, but with a strong focus on financial security. This of course was directly related to low taxation making the accumulation and retention costs of under-exploited assets significantly low beyond the capital expenses.

Taxation and pre-commodification

Changes in real-estate taxation schemes during the last seven years have had a significant impact on a socio-political and financial level. There is strong turbulence as a result of the unilateral shift on the citizen-state social contract. The long-lasting and deep-seated significance of homeownership as a 'social good', ensured by the private sector with the tolerance of the state, solidified and institutionalized 'social homeownership' as something to be protected regardless of the historical context and circumstance. Nevertheless, high homeownership offered the over-indebted Greek state a large and seemingly perpetual pool of money. Taxation is largely related – at least on a theoretical and rhetorical level – to the imputed rent theory, and constitutes a key commodification driver of the previous eras' Greek social homeownership.

⁷⁰ Usually linked to high and often speculative profits for the constructors

7. Private Rental Sector

The private rental sector in Greece while disproportionate to homeownership it has never been marginal like in Bulgaria; almost one fourth of the Greek population are tenants according to Eurostat. Nevertheless, the rental sector remains nothing more than temporary solution for specific phases of life⁷¹ or in those few cases where homeownership is not available. Housing experts noted there is an overall social tolerance for a lower housing-quality in the rental sector, mainly due to being perceived as transitional and marginal.

“[...] however to start with, you had no societal appeal~ because it is belittlingly said ‘he lives on the rent’, a phrase very commonly used. You do not even have a chance as a future husband or companion. [...]”

Recent years’ real-estate tax over-burden has kick-started a wider discussion on whether homeownership is or continued to be financially meaningful. This works in combination with alleged drop in rent level during the crisis. That being said, there is a question on the quality of the assets the rents of which have significantly dropped. More than that, high unemployment and drop of incomes in most cases do not give access to affordable rental housing assets, despite the lower rents.

“[...] there is a large number of assets available to rent, but the truth is that regarding quality I would say there as an issue. Because, to be completely honest, there is a difference between an asset managed or bought in order to be rented, and an asset where ‘my son lived in, who left as a student, or the grandmother lived in, and we were left with it eventually and have nothing to do with it’. Service provision in Greece, in rented assets, still needs much work i.e. the Greek market is not ready for what is being asked. [...]”

Given the current trends regarding housing taxation and the macroeconomic turmoil not reversed, the rental sector may see some growth as an after-effect and result of the crisis. In the long term, this may lead to a mentality change towards homeownership i.e. it will be the cause rather than the outcome of a mentality change. However, this is fairly hypothetical at this point and no sign towards it exists. In any way, taxation will have to become at least

⁷¹ Students, mobile professionals, young families etc.

equal in terms of monthly costs with rent levels in order for a meaningful change of trends. Lastly, for a healthy private rental sector to be established employment stability will have to be solidified on a national level first. Even then it will take time for the existing homeowner generations to grow older and more assets to gradually be disposed for renting.

8. Social Housing and Policies

Social housing in Greece has only distantly been related to the Workers' House Organization and its output the last seventy years until its abolishment in 2013. The main work of this organization was the construction of housing units and their allocation to beneficiaries. Priority was the promotion of access to homeownership for those outside the system. The WHO was funded through its members and their employers' financial contribution with an extremely low state input. Apart from the construction and distribution of housing, bank lending support and rent allowances were alternative forms of housing support provided. Creation of a social rental housing sector does not seem to have been the case during the various phases of the organization's activity.

Other than that, indirect social housing policy has been made on a very fragmented fashion by various departments within Ministries and other state Institutions, targeting specific social and professional classes, always eventually leading to homeownership. Overall, housing development proposed or eventually realized by state Institutions was deemed of higher quality but costly compared to private development schemes and with time dismissed or shrunk significantly.

9. Contemporary Challenges

The historically predominant function of homeownership as a hedge against financial and welfare precarity is still the case, as it was decades ago. For Greece too, homeownership is the undeniable 'wobbly' pillar of the welfare state, constituting a necessity in view of consciously lacking and passive housing policies unable to provide a financially viable alternatives. Younger generations are generally considered easier to enter the rental sector. However, the eventual destination remains homeownership even for those who are not

already or not bound to become homeowners (heirs). Negative or positive extremes in financial development lead to homeownership-seeking sooner or later. Housing familialism has still an extremely strong inertia, further enhanced during the Greek crisis. However, the current meagre family income seriously questions the practical capabilities of familialism to ensure proper housing to newer generations. Given the current trends continue, the overall Greek familialist system is expected to somehow weaken. Taxation is a very sensitive issue touching both financial and socio-political matters. Implementation of housing asset taxation is likely to cause serious financial drain of the family income unless based on income and social criteria. An inflexible inheritance system often leads to homeownership *by default*, and to underused assets of low financial value.

Following a post-1990 planned gradual weakening of the housing policy, *stock issues* have now started to emerge as central topic within the wider housing system reform discussion. Old stock is now becoming older while much of it has not been properly – if at all – maintained through the years. Moreover, large urban areas, especially in the Greek central metropolitan areas now present extended housing vacancies and depreciation. On the contrary, newly-built stock has largely been kept out of the market due to the crisis' steep drop in purchase prices and 'unprofitability' of the rental sector.

There seems to be an agreement on the defining role of the state in order for the housing system to overcome its deadlock. Practices of the past may have provided a partial solution to previous eras' acute housing problems but have also left their mark in many ways. For example the system of *Antiparochi* and informal housing in many cases led to unsustainable architectural and aesthetic outputs mostly related to maximizing profit (constructors) and space exploitation (owners). This of course was made possible due to a decided political stance of 'turning a blind eye' allowing low public expenditure for housing by letting the private sector operate in a *laissez-faire* manner. Moreover, the state regulated in such way as to promote housing construction and maximize the private sector's profit depending on the historical financial and political circumstance⁷². Apart from lowering public expenditure, unsustainably inflating the private sector initiative Through tax reliefs along with regulatory and legislative laxity, this political direction successfully hid the housing policy and welfare state insufficiency under the carpet for many decades. Currently the Greek housing construction sector is in deep slumber and unprepared to deal

⁷² E.g. raising built-to-surface ratios pre-1990

with imminent stock challenges like building recycling, upgrade, maintenance and conservation. A stringent banking sector and the increasing taxation imposed on the Real Estate sector complicate things further, seriously hindering housing market development⁷³.

The Greek housing experts' opinions concur in that the state's role is catalytic in kick-starting an evolutionary phase⁷⁴ of the housing system, regarding homeownership and renting alike. While it seems a bit farfetched to anticipate a direct sponsorship state involvement, clear and realistic regulatory and supervision frameworks are crucial towards any route. The intermediary role of state mechanisms may for example lead to a solution regarding vacant and abandoned private and state owned assets which may as well be used for housing needs of specific parts of the population. Likewise, rational and targeted taxation and other kinds of incentives will drive the private initiative back into the game, which along with EU funding may have significantly beneficial effects on housing quality.

6.3.3 Interviews with Bulgarian Households

This sub-section regards the personal opinion of Bulgarian people, and is mostly linked to research objectives 2 and 3, and research questions 2 and 3. Organization of topics is less linear here, starting from the general housing experiences and moving on to more specific issues about the role of the state in housing and people's opinions on housing policy. Housing familialism is next, presented separately like in housing experts interviews. People's views on the social-era housing system are discussed, followed by their opinion on the major contemporary housing issues. Homeownership versus renting mentalities follow, before entering the discussion on socio-financial topics like welfare trade-off' and asset-based welfare. Additional topics like mortgage borrowing mentalities, housing civic lobbying etc. close this sub-section. The research approach here is ideographic and exploratory, with a longitudinal flavour for the cases of people interviewed.

⁷³ Construction, mortgaging and purchase

⁷⁴ Affecting both societal perspectives on housing, and the market's *modus operandi*

1. General Housing Experience

Overall, people in Bulgaria did not express strong dissatisfaction with their housing conditions regarding the asset *per se*, but rather focused on specific issues analyzed later in this chapter. Even in few cases with serious issues problems like severe overcrowding, the overall stance was that of compromise, and in few cases, frustration. On the counterpart, people did not seem optimistic regarding any possible improvement of their housing conditions. This observations may have various readings and causes. Firstly, it somehow seemed that most people have come to accept their housing conditions for what it is. As result, pronounced dissatisfaction may have been smoothed out. After all, the much important homeownership status and its social and financial impact, functions as a strong lever to compromise for a ‘lower’ quality, but nevertheless owned house.

Moreover, few participants seemed somehow hesitant to disclose fully or accurately their housing conditions. Indications for such hesitation were present in a small number of interviews, but it is unclear if and how this affected accuracy or sincerity of statements. One of the reasons for such reluctance might have been the mistrust towards the scope of the research, as part of the wider omnipresent mistrust towards institutions. In any case, it was outside the researcher’s role to comment on people’s housing conditions as this had much to do with qualitative analysis and how people perceive their own situation, rather than a quantitative report e.g. based on number and size of rooms.

Thirdly, people who participated in the interviews may indeed have had no pronounced housing problems. Of course this is also related to their co-citizens’ housing conditions i.e. people living in a slightly better house than their social circle (peers, neighbours etc.) is likely to tend towards understating and underrating their own issues.

Lastly, the lack of state’s engagement with social housing and housing policy seems to have affected societal perceptions on the existence of housing issues – mainly due to disappointment. Homeownership notably affects this as having an apartment or house in many cases blankets the lack of any other housing issues.

2. Role of the State, Housing Policy and Social Housing

Interviews findings regarding the role people want the state to have in housing matters, may seem controversial at first. In order to compose the seemingly fragmented opinions into a whole, it is necessary to start with people's opinions on some very specific socio-political catalysts; bureaucracy, corruption and institutional mistrust. When discussing about state-aid, perplexed bureaucracy was one of the first issues raised. An inaccessible bureaucratic system seems to deter people from pursuing and applying for housing-related programmes like retrofitting and upgrade subsidies. This is also worsened by lacking communication and institutional support on how the process works.

The often obscure bureaucratic route to access state-programmes is followed by a legal system reported as slow-progressing regarding the protection of people's rights. These to basic systemic socio-political elements make any kind of state-aid extremely susceptible to corruption, as they practically allow its formation, existence and increase. Indeed, one of people's primary concerns is corruption related to state-aid selection-to-allocation criteria, including past and perspective social housing-aid programmes.

“[Interpreter] She said that ‘I assume, without being certain, that these~ most (people) benefiting from these (welfare) provisions, in way they do this also in a third way (indirectly), i.e. through acquaintances or someone else [...] that there is no transparency ((selection criteria)) [...]but she has no tangible proof, no~ she assumes so, as a possibility according to her experience [...] she supposes It would be better to expand the institution, as long as there was transparency [...]”

(Female, Group D1)

“[...] Of course to some degree there should be- people cannot be left without any social services. Of course there are some people that will probably misuse those privileges [...] probably that's why most people in Bulgaria will oppose even good ideas, because no matter how good an idea is if it's not implemented properly it will fail or not work as it's supposed to. And that happens most of the time so most tax-paying Bulgarians really will have a negative position around such (initiatives) [...] in most social programmes there is some kind of problem. It's not about housing only, it's about (welfare) support (in general)- [...]”

(Male, Group C1)

Cementing the aforementioned, a generalized scorn for the political system due to related political clientelism, leads to an extensive and deeply-rooted mistrust for any kind of state-related institution. Consequently, this affects people's expectations regarding the role of the state in housing conditions and the housing system as a whole.

"[...] Yes, I actually do not trust institutions at all. So, you can fight your way through institutions. But if you want to actually have your rights considered, even what's legally right to you, you have to fight for it in most cases [...] it shouldn't be that way."

(Male, Group C1)

Moving towards the exact role of the state and the intensity of state-intervention, things become somehow blurry. While most people openly desire and support a widening of the welfare state as to include housing, there was some ranging opposition to this as expressed by a number of participants. For some this was more of a hesitance towards the state being able to adopt an active and efficient role in housing matters and provision, while for others this is something to be avoided as an approach.

"[...] there definitely needs to be some (state) involvement, although I do not know how much it should be. Because the state can provide some amount, but if there is too much of it I doubt the quality of living would be something anyone would want. Also, it's interesting to consider where does the money for that comes from (taxes) [...] taxes of course come from people who are working. And if that's going to affect taxation, I am not actually sure how much of a good idea this will be. [...]"

(Male, Group C1)

The seemingly controversial approaches cannot be examined without considering the Socialist past in Bulgaria. Strong aversion towards a potential return to any kind of Socialist-like state intervention was the case in almost every interview.

[Interpreter] – *"Yes, there is this historical truth; there was a limitation of freedom (along) with Social Justice. Now, there is no limitation of freedom, but there is also no social justice, regardless to what is proclaimed. But the one is not incompatible to the other; there should be a compromise of freedom with social justice."*

(Male, Group E1)

“[Interpreter] there was an order and there was kind of a respect or fear even towards institutions. Now there is no respect to anybody [...] she says that she’s not a witness and she doesn’t know, but of course there were those camps in the Communist time where people were sent [...]” (Female, Group E1)

For the above reasons people expressed a desire to have a regulatory intervention of the state in all welfare matters, including housing. Involvement of the state is preferred to be ‘indirect’ and target all peripheral issues related to housing like infrastructure development and improvement, mortgage loan backup, principal residence (primary home) protection, simplification of processes etc. Direct financing of housing construction was rarely mentioned as desired or feasible, but a balance between state-intervention and free-market is seen as best.

“[Interpreter] The other thing she said is that for example if the land belongs to the private investor (or privatized) and he wants to build on it, there should be a law for some apartments to be given (in return) to the state, for people with large families and no place to live. [...]” (Female, Group B1)

Direct state-intervention was mostly related to cases of ‘acute’ housing problems, point towards an ‘ambulance service’ social housing. This excludes young families’ access to homeownership, which is considered a top priority for the Bulgarian society. People expect immediate and strong intervention in this; otherwise, housing issues – albeit a welfare service – are regarded as of a somehow lower priority compared to the other welfare pillars. Housing is heavily considered a family, rather than a state affair⁷⁵. Despite the widely accepted withdrawn role of the state, during recent years’ housing-upgrade programmes a significant state intervention (statism) has been recorded in terms of approval criteria, percentage of cost coverage and supervision.

Social Housing

Social housing experiences and perceptions are overall positive. While people recognize and openly discuss the Socialist housing-estates’ quality issues, social housing support

⁷⁵ Supporting the *housing privatism* theory

would be welcome. People hope, desire and think necessary the state becoming active regarding housing, but optimism and expectations on it being realized are extremely low. Social rental housing stock currently accounts for about 3% of the total housing stock, and still shrinking due to a post-1990 privatization process still ongoing. Access to this very limited municipal stock passes through strict very criteria, concerning a very small percentage of the population. It is important to note that almost all kind of state-aid mentioned by the interviewees had as a main goal to promote – maintain or expand – homeownership. Even when discussing about rent allowances, this was also related to the potential of saving to access homeownership as soon as possible. Discussing alternative kinds of state-aid instead of promoting homeownership, some interviewees expressed concerns regarding the beneficiaries selection criteria and process, and especially on whether this will actually affect their lives.

“[Interpreter] Maybe that’s because they see very well that whatever social privileges and programmes the state offers, there is a very low percentage of Bulgarians using it. It’s generally the minorities who can use these social privileges.”

(Female, Group C1)

One of the most interesting findings during the interviews was the different way people regard municipalities and the (central) state. While clearly municipalities are part-branches of the state, people consider them completely different from the central-government. Any social housing policy expectations target municipalities, and are indeed high, compared to the central-state for which they are null. The former are seen as something close to the people, while the latter as being practically out-of-reach thus not worthwhile to consider. This is of course closely related to mistrust towards the state as a central institution.

3. Familialism in housing

Participants verified and analyzed on the significantly omnipresent family-aid regarding access to housing. Family-aid was a prevailing lever in accessing primary housing, for younger and older Households alike. Dominant modes of familialist-aid were cash-transfers, parental-donation, inheritance, self-building⁷⁶ and contribution to utility costs.

⁷⁶ All modes

Overall, family network has been recorded as prevailing in linking younger families to homeownership, mainly through inheritance. In some modern-era cases and where possible, cash-transfers had to do with ensuring access to a housing purchase-loan.

“[Interpreter] I would not mind so much because I did not make/purchase that house, but because I would not have something to give my children to.”

(Male, Group A1)

“[Interpreter] She says that in the Bulgarian mentality it is very strongly implanted that the person should give a house to his children, so he has to have a house to give to the children.”

(Female, Group E1)

Continuing this trend, newer families-households feel obliged to provide for the children and support them by ensuring them access to owned-housing. In absence of inheritance potential, or when parents' fortune is insufficient, new households will have to seek for a housing-purchase mortgage loan. Inheritance seems to be the dominant lever of transitioning homeownership from one era to another; however, in most cases regards older, poorly-maintained assets of insufficient market-value, belonging to buildings in a similar condition. Inherited secondary houses are often the older generations' houses in the countryside and unsuitable to be used on a regular basis, or provide some kind of income – even seasonal. These underused and gradually degrading assets are a potential source of financial burden for the families, if not already.

Inversely, there were no extensive reports on significant and systematic in-house welfare-aid being provided by children to parents. This has mainly to do with in-house nursing of older family members and financial complement of meagre pensions. The limited reporting of such cases may be also due to people considering this a very standard and systemic familialist procedure.

“[Interpreter] you can see the difference e.g. Back then our fathers were saying “yes, we raised our children because one day they will help us. We trust them and they will honour us and respect us. But now the situation is that you are trying to work all your life to support your kid because he cannot afford raising their own children.”

(Female, Group E1)

4. Socialist-era Housing system and Transformation dynamics

Related to family-aid, older pre-1990 families gained access to homeownership – almost exclusively – through dominant state-mechanisms and support⁷⁷, with the exception of self-build⁷⁸. Through familialism, younger families became Homeowners of Socialist-era housing-block apartments, which still consist the dominant housing unit for the social classes interviewed⁷⁹.

During the Socialist-era strong state-controlled support and access to homeownership passed through strict selection and unit-allocation criteria like building-age, accumulated points, etc. Loans and rents were kept to a minimum ensuring maximum affordability and accessibility; people had little say in asset-selection. People being on queue to access housing circa 1990 lost their right after the change of Regime, along with their priority and any kind of money they had put in, going practically poor. Right after the change, those involved in systems where privatizations took place e.g. company-owned housing stocks, were easy to acquire housing.

As an overview, people having experienced the Socialist-era housing policy regard it as more trouble-free and effective compared to the post-1990s era. This has to do with housing *per se* and not with the overall sociopolitical situation of that era, with few exceptions. However, this more or less easy access to housing – especially for young families – it was not recorded as having been accompanied by sufficient quality. The retrospective people's opinion and housing experience refers to relatively low building standards of the panel-housing blocks⁸⁰, insufficient space⁸¹ of allocated housing units, and very poor maintenance and upgrade processes. Generally speaking, the overwhelming opinion is of a withdrawn and absent state, which is not something welcome. However, people do not provide a clear picture on whether this has been the result of a conscious and planned political decision, or the outcome of a post-1990 impromptu policy evolution.

“[Interpreter] She says that the system worked in a way that the only chance you could get something bigger or do something else, back at that time, you had to have connections. You had to be connected to someone important so he could

⁷⁷ State-enterprises, State-granted or state-backed loans etc.

⁷⁸ limited mainly to rural and peri-urban areas

⁷⁹ For further details, please refer to Methodology chapter

⁸⁰ Thermal insulation, soundproofing, building materials, panel joints, infrastructure, building services system etc.

⁸¹ m² and rooms per person

give you a recommendation or something like that. So there was a way but you had to have connection [...] there was no free market [...] all those panel buildings belonged to the state which sold them to people [...] even back at that time those apartment buildings (in Mladost) were built for young families with children and there were many many families applying. That's why she says it was almost not possible to get what you really wanted. You were classified with so many people waiting on queue- so whatever you were given that was what you took."

(Female, Group B1)

On the architectural front, when probed, people more or less expressed some dislike towards the aesthetic outcome and the Socialist housing-blocks' effect on the urban landscape; with special mention regarding the great height and dispersion of these housing-estates. People living in houses in or outside the city, were more judgmental of this urban form.

For many people, actual transition from Socialism to the modern-era, never truly happened. Some interviewees stated that the same lobbies and socialites ruling during the Socialist-era, dominated the post-Communist years monopolizing the political power. Same people abruptly acquired wealth post-1990. These opinions strongly support the transformation over the transition doctrine.

"[Interpreter] She said that 'I am not really the person who would vote for the Communist Regime, even though there were some good times. The worst thing I see now and is influencing people is dishonesty and corruption, and things that are set in people's minds there' [...] she said 'I could not be a person who would vote for then and even for now, because what actually happened is that the sons and daughters of the people who were in power then, were kind of painted in different colour and are now rulings as- they are the people who just got wealthy, accumulated a lot of wealth, did the things that are good for them, and so I cannot vote for them even now. So nothing was practically really changed in the very heart of the problem' [...]"

(Female, Group E1)

5. Prevalent housing issues

One of the main issues has to do with the physical condition of the assets, the both on a unit and on a housing-block level. Most participants mentioned an extensive need for renovations due to ageing and overall condition of the houses. Most young families had to proceed with these interventions, mostly through bank loans.

Another significant issue stated, has to do with maintenance of the housing-Blocks as a whole, and the coordination between numerous Homeowners. These panel-block housing-estates are the total of a large number of apartments-units, most if-not-all of which are used by their owners. The complicated process of so many people coming together and coordinate is further encumbered by the fact of an increasing number of owners going abroad. These people are often hard to find and contribute towards the building expenses, while the assets are underused and left to be taken care of relatives or close friends. Apart from the above, financial problems render many of the existing Homeowners unable to pay for buildings' utility-costs and maintenance. Upgrade interventions and participation in subsidized programmes, is strongly hindered by vacant-apartment owners absence and/or unwillingness. Moreover, only few people seem to recognize a links between proper housing maintenance and improvement, and the asset's financial value; which is also related to the low investment perspective – especially on primary residence houses.

“[Interpreter] but she said that for example in their apartment building there are at least 4-5 apartments staying empty because people went aboard but never rented their apartments. Some of those people were very close friends of them and e.g. could give them the apartment so they could rent theirs. But the Bulgarians maybe do not want to let another person enter their home, so these apartments stay locked without anyone using them. Once a year some grandmother comes to check on bills etc. [...] one of their friends' apartment is empty for 20 years. They live in the states but never let anybody live there.”

(Female, Group B1)

The number of owners in the massive Socialist-era housing-blocks is one of the main reasons people express strong preference for (semi)detached houses over apartments.

“[Interpreter] (all) Sacrifices are absolutely justified because you live in your own house, you depend on no one [...] you do not have the problems of people living in apartment-block [...] and of people who divide, share something with strangers, relatives etc. (cohabitation)”

(Male, Group C1)

These multi-storey blocks in almost every case include a number of different ‘entrances’⁸² where each of them gives access to a large number of apartments. Each entrance can unilaterally decide and proceed to maintenance and upgrade interventions concerning only its own spaces. However, whatever related to shared systems-services (cables, pipes etc.) requires the approval and participation of all ‘entrances’ they run through. This often leads to buildings-blocks being partially upgraded or retrofitted with the consequent quality and aesthetic outcome⁸³, due to the number of owners involved and the inability to coordinate.

“[Interpreter] (there is a) maintenance issue, because the building is old. The problem is that where she lives- where they live, there are many people who have died and their heirs do not live there, so there are many closed (empty) houses. So you cannot coordinate with (others)- you cannot renovate. The common expenses- gathering (money) for the common areas and having a renovation etc.”

(Female, Group B1)

6. Renting versus Homeowning, and Housing mentalities

Homeownership has a dominant role in the Bulgarian people mentality without any notable changing trends; the interviews reflected this strongly. It is best to break-down this renting versus Homeowning approach in its elements, as discussed by the participants.

Flexibility and Stability

Despite the overwhelming preference over renting, homeownership has been widely reported as a tenure offering significantly less flexibility in terms of locale, asset quality, and work mobility. This has also been verified by the renting-interviewees, who also

⁸² Parts of the building block sharing installations and services i.e. piping, sewage, electricity, heating etc.

⁸³ Building-facade partially painted, infrastructure left to degrade or unrepaired as it passes via different ‘entrances’

expressed a weaker tie with a specific place. Homeowners tend to express far stronger ties to their house and as a consequence to the locale and overall region.

In terms of tenure security and stability, renting is considered strongly precarious, being exposed to landlords' disposition, combined with weak regulatory and legal protective framework for the renter. Moreover, rent levels and fluctuation paired with income and employment precarity, make renting pretty non-affordable for the participants interviewed.

On a social and financial level, renters with no owned-house feel somehow disadvantaged relatively to homeowners. Rent is considered as wasted money, while societal perceptions on renting are somehow linked to exclusion from homeownership. The latter is also enhanced by the practical inability of the majority of renters to get a mortgage loan due to low incomes. People choosing to rent are almost always more or less 'forced' by circumstances to do so.

“[Interpreter] No, she does not think this is a stigma (being a Renter vs. Homeowner, or living in social housing); she does not think there is a stigma; this just happened in these peoples' life and they arrived at where they are now.”

(Female, Group C1)

“[Interpreter] She generally thinks that society' regard/opinion on such a man (long-term or permanent Renter) will be that 'yes, he has not succeeded' or that 'he has failed', overall. Her opinion is that this is a personal choice and that the man believed that he wants to live this way.”

(Female, Group D1)

Despite a generalized loan-aversion mainly due to related liabilities, a mortgage-loan will almost always be preferred over renting, when accessible and seemingly affordable. Overall, the rental housing sector seems a solution better avoided, and only used as a last resort and only as a temporary or transitional tenure. As a consequence and a recurring cause, renters are considered damaging to one's owned-house. However, it is important noting that people's opinion on renting seems specifically tied to the Bulgarian context and reality. Comparing to foreign countries and systems, disposition towards renting seems far more lax and tolerant.

“[Interpreter] It is possible, she says, that if she went to England or America where people live mostly on rent, she would not have this goal. But here the situation is such that she has to set it (as a goal).” (Female, Group C1)

“[Interpreter] She said that probably here in Bulgaria it’s kind of a psychological motive. She says that “for me, it’s safer to be in my own place” [...]she said ‘for example I do not have a problem to rent an apartment when I live abroad. If I live abroad and not in Bulgaria I will rent an apartment without any psychological barrier for me.’ [...]” (Female, Group B1)

The weak legal and regulatory protection reported by the participants, is also a result of an extremely marginal rental housing sector. The low percentage of renters in Bulgaria (~14% on free market rent – Eurostat 2014) is one of the factors rendering them weak in having their voice heard and claiming their housing-related rights. It should be noted that there was no clear or undivided view on whether current rent levels are in accordance to the offered assets’ quality i.e. if there a value-for-money relation. This is also part of the wider mentality not linking housing assets a financial rationale – as an investment or savings’ means.

7. Asset-based welfare and Trade-off

Bulgarian asset-based welfare theoretical and practical dynamics seem especially meagre according to the interview findings. This is mainly due to almost inexistent links between housing-asset liquidation and partial or full welfare services self-provision. Even in cases where selling has been mentioned as a thought or perspective, this was always related to the purchase of a new house. The latter may also signify that people consider homeownership as a welfare-means; however, this link has not been verified by the interviews.

Asset-value, which is central in asset-based welfare doctrine, has been recorded as insignificant in almost every interview. Bulgarian homeowners believe and report their housing assets to be of low capital value and financial potential. In any case, the – often doubted – possibility to sell the asset seems insufficient to provide more than a limited

amount of money, able only to cover a percentage of the purchase-cost for a new house. Selling owned apartments or houses in most cases does not ensure affordable or debt-free access to better quality housing⁸⁴. For this, complementary financial levers like family-aid, mortgage loans or selling of more than one property, will have to be used. In cases where these routes are nonexistent or feasible, people are locked in the specific Socialist-era owned assets. This market fact deters people from even thinking of selling their houses and cements or further strengthens homeownership mentalities.

“[Interpreter] They were thinking of many combinations to sell the apartment and buy something different, but the thing is that you are stuck with these panel buildings because if you sell it (the apartment) the money you would get would not be able to buy you anything. So you would have the worse situation of having to buy something of lower quality.”

(Female, Group E1)

The next point is related to the disposition and will of people to actually liquidate their property. The interviews showed a strong inclination against this due to sentimental reasons, in addition to the aforementioned financial unprofitability and/or unfeasibility of such a decision. This mentality also expands to renting owned-house when abroad.

“[Interpreter] He does not need- does not consider- does not think you should mess with your house~ he considers it to be a cardinal value and not an investment. He used the word ‘fundamental value’, and that (it) should not be messed with.”

(Male, Group C1)

[Interpreter] – “yes, it is also an investment, but I have no intention of selling it”. It is an investment from the aspect of the security it provides (psychological, financial and physical).”

(Female, Group B1)

“[Interpreter] – they considered it an investment, but for life. So, they do plan on selling it. They bought it in a relatively low price, and they believe that in this area it will gain value with time.”

(Female, Group B1)

⁸⁴ i.e. newer and bigger apartments in preferred locales

Views like the latter were rare during the interviews, as housing assets are of low financial value, and there is a general lack of an investment mentality regarding this sector. Even when present, investment aspect takes a backseat over other functions (accommodation, hearth, social status etc.). Financially, acquiring or maintaining a house is an atypical way to ‘hedge’ against income and employment instability. While difficult, moving up the housing market ladder is more of a social status achievement than an investment.

Linking high homeownership rates with a weaker welfare state, there was no evidence or even indication of Bulgarian people implying, accepting or desiring any kind of such a trade-off. On the contrary, there is a strong perception of the state being responsible for ensuring young families’ access to homeownership, and protection of citizens’ primary housing-assets. This is also a direct way for the state to counter strong population declines in terms of dropping birth-rates and emigration.

“[Interpreter] She said that if the state wants to keep young and other people from leaving Bulgaria, the first thing it should start doing is taking care of people’s homes. [...] She said that if people really had good homes and places they would just give up everything else- but if they had a home here they would stay here and raise their children here- but she thinks the main reason for people emigrating is not being happy with their homes.”

(Female, Group B1)

8. Mortgage Loan market realities and perspectives

Bulgaria is one of the countries with very low percentages of homeownership mortgage loan indebtedness. Most loans reported concerned renovation of old housing, rather than purchase of newly-build one. Often, consumer loans have been partly or wholly used for housing renovations and improvement, thus avoiding mortgage of the property at the expense of higher interest rates. Most people expressed a high loan-aversion due to income insecurity, high interest rates and lack of state-protection in case of emergency; and this is especially the case with mortgage loans. Even people having the typical requirements to access and be granted a mortgage loan, state their strong desire to avoid this at all costs.

Any help from the wider family and friend network is usually exhausted before even thinking of a mortgage loan, and again, only when this is absolutely necessary. The overall perspective is of loans being more of a necessary evil rather than a useful tool to access or improve housing. For those in need and search of a loan, gathering the necessary initial and complementary amount is one of the most serious burdens. During the interviews labels such as “*mistake*”, “*slavery*” and “*filthy word*” highlight Bulgarians’ overall perception regarding mortgage loans.

9. Lobbying for housing issues and Civic Engagement

Most people feel extremely disappointed in the political system which in turn affects civic action intensity. Organized civic movements are considered destined to fail as politicians are expected to pay lip-service at best. Civic action emerges when things cannot get worse, and usually last just for a few days. Younger citizens do not seem to escape this pattern, with a however noticeable but hesitant change-momentum.

“[Interpreter] If it is about taking down the government or doing something for a very short period of time, people can come together, but otherwise no [...] No, even if people come together every change- we have a saying in Bulgaria ‘every miracle lasts three days’ then things will go back the old way [...] the way of politics in Bulgaria is the same for quite a long time now.” (Male, Group A1)

In one of the interviews there was a recorded opinion about young homeowners actually being more passive and less-motivated regarding civic engagement. While debateable, this observation may have some basis; having secured homeownership – mainly due to inheritance or family provision – somehow explains slow and/or low civic responsiveness, regardless of the housing conditions. Mortgaged homeowners expressed the belief that most of their debt-free home-owning co-citizens are less politically active due to a perceived security and lack of emergency, indirectly contributing to the aforementioned approach. However, during the interviews only some indications and no definite answer emerged concerning the link between tenure, housing conditions and civic action intensity.

Interesting was the opinion of House-dwellers (especially outside the cities) concerning the political and civic attitude of apartment-dwellers in cities. This may very well have to do with the recorded fact that House-owners spend considerably more time and money for their houses – mainly for maintenance and upgrade. Moreover, house-dwellers have outright ownership and feel the total control over their house and land, which is not the case for apartment-owners; the latter have only a very limited control over the building issues (vote-system). While this view may be unilateral and criticized as biased, is worth considering but avoiding generalizations. This should not be confused with a ‘I do not care (to fight) for my house’ mentality, as it is more of a ‘I do care, but what can I do about it?’ resignation. Likewise, it is not about the sense of danger and necessity, but of sense of power and capacity to influence things. Active citizens are usually generally active and not only on housing matters, which also reinforces the idea of acting due the belief of it having an actual impact.

“Of course; hope (for state aid) is the last thing to remain. So surely there is (some) [...] but reality is totally different.” (Male, Group A1)

“Of course I would like some state policy, but what can I do? I can do nothing. How can I influence something like this?” (Female, Group E1)

As an overall observation, there seems to be a seemingly unbreakable and self-reproducing vicious circle of political bureaucracy, corruption, disappointment, civic inactivity and weak civic lobbying to counter political opacity. Eurobarometer data verify this, showing a ~60% of the Bulgarian respondents tending not to trust the public administration (2017). Rarely, the EU institutions are mentioned as a solution to this problem, a safeguard of people receiving help regarding their problems, and a supranational-to-national control mechanism. However, more than half (~54%) of the Bulgarian respondents overall tend to trust the EU overall (Eurobarometer interactive, 2017).

10. Other issues

Strong and long-lasting homeownership in conjunction with familialism and mainly inheritance, led to a significant number of secondary homes in the Bulgarian countryside. In few cases these secondary housing assets have the potential to be used as a source of

income. Secondary or additional houses are not always considered as vacation homes, as they are not used as such. Purchase of newer secondary homes is in some cases considered a way to cover various needs like complementing the overall housing experience (vacation), securing savings or even investing (income source or future sell). Older housing in the countryside was mainly linked to self-building in the form of self-labour combined with wider family and social network contribution. Today this is overall limited and concerns self-hiring of professional builders and technicians, rather than own-labour input.

The overall salient preference for returning to the countryside, varied in its intensity and feasibility potential. On the one hand, there are basic infrastructure shortage and quality issues, like piping and sewage systems; with many older owned-properties (inherited) in the countryside being unfit to live-in. Renovating these houses is pretty expensive proportionally to the average Bulgarian income standards. On the other hand, limited employment opportunities in smaller towns and villages strongly hinder this counter-urbanization dynamic from developing to something more than a vacation house.

The homeownership – hearth link appeared far stronger than the house – hearth one. Owning one's house is considered a prerequisite for family formation and prosperity, worth of any financial and social compromise. This is also for younger or to-be families, while recognizing the some of its downsides like reduced mobility and flexibility. More importantly, there was no reported strong sentimental attachment with the physical asset (house) but rather with the status of house-ownership. However, in young people the urgency to become homeowners varies from one case to another.

6.3.4 Interviews with Greek Households

With a similar approach as in the previous sub-section, the overall housing experience topic open the analysis, with the opinions on the role of the state in housing policy following. Taxation of housing assets is a very significant topic in the contemporary Greek reality and emerged as a separate topic during most interviews. Housing familialism is assessed next, followed by homeownership versus renting debate. Socio-financial topics like welfare trade-off' and asset-based welfare continue the sub-section which ends with additional topics, like mortgage borrowing mentalities, civic lobbying etc. being discussed last.

1. Overall Housing Experience

During the interviews, Greek people did not express any pronounced dissatisfaction with their housing conditions *per se*. Of course there were cases of a clearly expressed desire for a more adequate housing especially in terms of one or two more rooms, better soundproofing, better finishing quality etc. In hardly any cases were there housing issues stated so pronounced as to disrupt everyday life flow. This might very well be explained using the reasoning presented in the Bulgarian case. However, even from a rough visual overview – also backed up by statistical data - is somehow obvious that most housing-related problems have not so much to do with the assets' condition and maintenance, unlike Bulgaria. Overall, most interviews stated that their current housing condition and quality are significantly better compared to where they grew up in. The following issues were reported in a limited manner during the interviews:

- Bureaucracy discourages people from pursuing any housing-upgrade programmes, but is not the main reason – which is mistrust towards the state⁸⁵
- Apartment-dwellers look forward to a House or moving into an apartment building with fewer apartments and floors
- Emotional attachment is in most cases related to the homeownership status rather than specific assets, unlike neighbourhoods which seem a prevailing selection factor. Often, emotional attachment concerns some and not the total of assets owned
- The system of '*Antiparochi*' has been mentioned in few cases as an older system for urban land-owners to access urban housing, cost-free

However political and financial housing issues took precedence over other topics, and were extensively discussed, as it will be analyzed later in this section. *Taxation* on the primary residence (or 1st home) had an exceptional position in the interviews and proved to be an emotionally charged topic.

⁸⁵ ~78% of the Greek respondents tend not to trust public administration (Eurobarometer Interactive, 2017). Greece leads the southern and southeastern European area in the mistrust towards public administration

2. Role of the State in housing and Housing Policy

Greek people opinions are dominated by a sentiment of mistrust towards anything related to the central state and the municipalities; due to state-mechanisms opacity, clientelism, opportunism and eventually corruption. In many cases, even commencing the discussion about state-aid was some kind of a challenge due to a very negative predisposition; discussing about housing policy and the state help was in several occasions – implicitly or explicitly – seen as a joke. Even expressed hopes and desires, they rarely coincided with a sincere expectation of something actually happening in the foreseeable future. Expectations have been further lowered due to the ongoing Greek debt crisis.

“[...] No matter what the state does it tricks you afterwards [...] This state is not to be trusted. Wherever the state directs you to- no matter where the state pushes you towards, you should go the opposite way, running [...]” (Male, Group B2)

Increase in housing-imposed taxes has seriously offended social homeownership and contributed to a view of the state as a bottom-less barrel, where any financial sacrifices gives nothing in return and so is meaningless.

Focusing on housing the majority of participants did not have some specific idea on how the state could help with their housing conditions, apart from lowering housing-taxation. For most people housing policy is something inexistent and unclear how it could affect their housing conditions. However, it is a prevailing belief that the state should somehow help with housing (extended welfare state). Of course this does not include those expressed against state intervention and extended social housing programmes.

“In a (country like) Greece where ‘Home, Sweet Home’ is a ‘gospel’, the state cannot abstain. So, in a society having shaped a (certain) culture but because it learned it this way, but I don’t know for what reason, but because it suited some people- that ‘get a house to put your head in, and we see about the rest afterwards’; which is not bad. But it is not a ‘Gospel’ either. We have it- it is not a ‘Gospel’, but it is not bad either. It has to help; to be helping [...]”

(Male, Group B2)

One of the opinions often mentioned was the desire for the state to make use of its under-used real estate property assets for covering housing needs; likewise, to create a favourable framework for under-used asset owners to participate in such schemes e.g. to be able to provide low or rent-free assets but be exempt from income and real estate taxation. Also, for the majority of the interviewees a significant level of intervention regarding the banking system was deemed of high importance.

Social Housing outcomes and policies

Greek people opinions on social housing policies appeared divided. Overall, most people expressed a positive to ‘*I do not mind*’ opinion about social housing programmes. However, the opinions against social housing programmes – and especially the extended ones – were so intense that outbalanced the neutral-to-positive opinions, qualitatively speaking. During the interviews it has been observed that people having personally experienced social housing consider it extremely positive and are willing to make use of such programmes.

Participants’ opinions point towards an overall rudimentary (as last resort) social housing system and limited direct intervention from the state. In some case this was related to bad – mostly visual – experiences and negative opinions on past social housing programmes and outcomes. This may perhaps be one of the main reasons why some participants appeared reluctant or even negative towards the scenario making use of state-provided housing programmes⁸⁶. This had mainly to do with an assumed lack of control and choice over the asset and the area. It is extremely noteworthy that even participants being extremely in favour of social housing programmes of any sort, concluded in the need for people supported becoming homeowners, one way or another.

“[...] the term ‘Worker’s Residence’ (social housing), at least as it is in (our) mind, the way we know ‘Workers’ Houses’, is very negative; because what they were building as workers’ houses were boxes, so you are talking about the absolute degradation [...] but on the other hand when you reach a point of losing everything for whatever the reason, instead of being on the streets, this is a good option. [...] but OK, (it) should be decent [...]” (Male, Group B2)

⁸⁶ Question posed in a hypothetical manner as social housing programmes are not currently running

Homelessness was also discussed as something of low severity in Greece mostly regarding massive immigrant waves, rather than related to the country's housing system. The rudimentary character of social housing is mostly linked to providing shelter and basic services, and avoiding public health issues.

Almost every interviewee expressed a strong concern about the selection criteria defining all kinds of state support in housing. Key problems have mainly to do with allocation process transparency issues and deficient state control (background check) of the beneficiaries leading to system abuse and excluding those in real need. Even interviewees with an extremely positive stance towards social housing strongly voted for an improvement of the whole planning and management process. Another key issue has to do with these programmes' limited coverage. Most interviewees seemed to consider the welfare state something very distant to their everyday lives, and concerning minorities and immigrants fitting the eligibility profile. Thus, talking about a rudimentary and extremely bureaucratic welfare state deterring people from aid-seeking.

"I am not against this, as long as there is some transparency and the right selection criteria [...] Yes, but under conditions. And it is not- without- it does not mean that the selection criteria have to always be the place of origin, or I don't know what, ok? (Referring to refugees) [...]" (Female, Group C2)

"I cannot be more in favour [...] Yes, I would go [...] if there was a problem, yes [...] I do not think it's bad, I do not look askance at it at all. What I was looking askance at was the favours done, to get in there. Only this I mind. Nor I consider someone (living there) inferior [...] No, because I have heard the line 'Come on now, am I (seriously) going to live in workers' houses?', that's the sense I am saying it." (Male, Group A2)

3. Taxation of housing assets

As mentioned before, taxation burdening on housing assets was one of the major and most extensively discussed topics. There is a far wider debate regarding the levels and methodology of Real Estate taxation in Greece, which has escalated during recent years.

While opinions may vary regarding the philosophy and the implementation of a tax applied over the total of the real estate property and its value, there are strong objections concerning the primary residence. First homes are considered a kind of a social good in need of absolute state protection, including tax-exemption. Overall increase of the real estate taxation levels has proportionally impacted primary housing assets and consequently the vast majority of the Greek people, due to high homeownership rates. Another effect is the rapidly increasing socio-political upheaval as people feel one of the structural societal elements being deeply offended. While it would not be safe to separate the financial from the socio-political effect of primary residence taxation, interviews clearly showed a much deeper impact on the latter.

“[...] We are accustomed to it in Greece; we have this sense of ownership very intensely. And especially with the House- governments change if you touch the Greek’s House [...] Abroad, I do not believe they have this sense of ownership so much. They clearly see it as a place to stay- to be of good quality and cover their needs. Here we have kept this sense of ownership, the ‘Home, Sweet Home’ [...] I do not know if this as a holdover from the past, I have no idea. The Greek feels the need to keep something her own, ‘to have my House’ [...] it is psychological, it is not something else. But you should not have- so someone living on rent for ten years, isn’t this her house anyway? Doesn’t she live there? Doesn’t she grow up there?”

(Male, Group C2)

Firstly, on a financial level real estate property taxation in Greece has imposed an increased burden on households. As expected, things are far worse for households with additional assets apart from the family’s primary residence. Moreover, the tax system high instability during the last decade has seriously disrupted the family costs budgeting and – in addition to other factors like income precarity – deters young people from trying to access homeownership, prolonging cohabitation. Apart from instability, tax system issues criteria issues leads to a large number of people paying recurrent taxes on non-used and non-exploited inherited and/or purchased assets which is clearly shrinking the family budget. Another systemic problem is the allocation of the tax burden. For example housing assets purchased with a mortgage loan during the last fifteen years, are almost always newly-built houses which according to current tax criteria are heavily taxed; imposing another heavy burden on already indebted households.

“[...] Yes, it’s about paying- paying rent inside my own house; I became a renter all over again- if you see me for example, you know I have to pay (kind of) a rent on top of it now [...]”

(Male, Group B2)

Currently, real estate property taxes are calculated based on a state-defined list of objective/book real estate property values (*‘antikeimenikes aksies’*) which are not kept up-to-date and not related to real market values. Post-2009 and during the Greek sovereign debt crisis these values ended up being far higher than market values – in many cases and according to area reaching a one to five ratio deviation. Keeping the tax system anchored to this kind of fixed pricing further enhances the sense of social injustice.

In numerous cases where additional assets are owned, interviewees expressed a strong sense of injustice due to them being inherited and thus under-used and/or practically unfit to live in. Including inherited assets, housing and non-housing⁸⁷ assets purchased but without returning income are also taxed further promoting the sense of social injustice. Many home-owning interviewees expressed a strong feeling of being punished for their tenure status, including heirs who also feel this burden inherited along with the asset(s). This is one of the main links between the financial and the socio-political effects of real estate property tax.

On a socio-political level, Greek interviewees expressed a sense of being deeply offended as citizens due to primary residence taxation. Homeownership is considered a social norm, cultural element and prerequisite for personal and family survival and a chance on success. Therefore, taxing the stature rather than the incomes generated is social unacceptable and likely to cause strong civic opposition. This is clearly related to imputed rent theory analyzed earlier in the thesis, and there were some indirect links reported during the interviews i.e. linking primary residence taxation with imputed rent. Regardless of being a renter or an – outright or mortgaged – homeowner there was no variation regarding the primary residence taxation; while recognizing attributing financial benefits on owning versus renting. Overall, primary residence ownership was linked to hedging against housing expenses rather than a financial gain and income generation.

⁸⁷ Shops, offices, warehouses, land etc. purchased either as an investment effort or financial hedging method

“I wouldn’t want to- it bothers me very much [...] it bothers me as a citizen mostly [...] also financially [...] the amount is not significant [...] but it is not negligible either, as you said. And why pay it? it is my primary residence [...] you know what one feels? You feel like it (the state) tells you ‘do not get a house, do not own a house, stay a Nomad’, let’s say or like the Roma, here and there [...] oh yes, as a punishment, it certainly is punishment; it certainly is a punishment; What else?”

(Female, Group E2)

Real estate property tax aversion has strongly to do with another issue discussed later in this section – political opacity and tax-evasion, along with clientelism and corruption. People seemed far more open and positive to increased taxation if those problems were dealt with, and it was clear what the money are used for. However, this did not seem to affect primary residence taxation which in almost every case was deemed in need of strong state-protection. Any kind of taxation is considered by many interviewees as ending up on a bottomless barrel. Thus, there is a loss of link between money paid and social/welfare services improvement.

In any case, there was no overall objection on real estate property being taxed. Objections had mostly to do with housing which is considered a social good in need of protection – especially the primary and secondary residences – and no-return vacant assets. Also, real estate property tax system fairness and implementation are causes of civic objection. In some cases interviewees stated that the property tax on their primary residence was not so significant financially, the psychological and socio-political burden was more or less the same nevertheless. On this matter, few people seemed to focus more on the financial aspect of Primary Residence taxation.

“[...] I did mind both, but mostly I personally mind the practical part; the financial part that is. I am a practical man and I was bothered by the practical. I think it is money wasted, and I think that it is not possible buying something and being taxed for it, given it is yours- as a definition. But most of all, I was annoyed by the practical. So, if they set a tax of 1 Euro, while it would still be unethical, OK I wouldn’t mind.”

(Male, Group D2)

What was strongly reported is that the type of real estate property tax in effect during the period the interviewees were conducted (Unified Real Estate Property Tax) insulted Greek people both on a financial (varying) and on an ethical/civic (almost uniform) level. Words like '*Roguary*' and '*Big injustice*', where characteristic during the interviews and linked to *Primary Residence taxation*.

"Big roguery [...] I think (the state) puts its hand on my pocket and taking my money, it robs me off- [...]"
(Male, Group A2)

4. Familialism in housing

The wider family network has been reported as significantly impactful on housing acquisition. This was especially the case until the financial crisis where family was the main of not the sole pillar of housing access support. Modes of family-aid in Greece revolved mainly around providing money for access to mortgage loans allowing for a smaller amount borrowed and better loaning terms. This kind of aid allowed newer families to climb-up the housing market ladder and gain access to newer – and theoretically better – houses. However, it significantly commodified housing. Most interviewees reported living in a better house compared to that they grew up in.

Family help touches a wide array of directly and indirectly housing related issues like in-house child-care, supplementing young families' income (e.g. food provision, loan repayment) etc. In some cases, interviewees reported a higher monthly family income due to included almost 'standard' parents' in-cash monthly aid. In-house health care of older family members while present in case of need was not widely reported as a standard procedure. While the role of the family remains central on a theoretical level, on a practical level the potential of the family to provide housing for newer members has been significantly limited due to the country's overall financial turbulences strongly affecting family income sources like parents' pensions. Shrinking in family help seems to be specifically due to the crisis effects.

The role of the family was extremely crucial in further reproducing, reinforcing and institutionalizing homeownership and relevant mentalities. Proof of this was most participants stating they have been nurtured to exceptionally value and safeguard homeownership. However, having something to pass down to the children did not seem to prevail as a main factor supporting homeownership expenses, over e.g. education; though it was often mentioned.

“[...] That is how we learned it. Our house is the first we can get; that will be left with us forever; that will be left to our children. We value it as something sacred, like family; that’s also what our house being our own is [...]”

(Male, Group A2)

“[...] Struggling, sweating to acquire a house and say, OK- which is how the Greek society is structured; that’s what they taught us; that we have to get a house- and I think it is right, its not wrong. Abroad let’s say, they do not have this mentality. When you strive, everybody strives for this; our parents, our parents’ parents, so we have a house, somewhere to live etc. and you go and hit there, it is at least roguery [...]”

(Male, Group A2)

“For me it is security. That if I have children I will help them as my parents helped me and secured me whatever each of them could~ I would like to secure the best I can for my children. So they do not have the stress of paying a rent, of finding a job- to live their life much more easily than knowing there have to be each month additional expenses [...] maybe they will never live in this houses [...] at least rent it and have an income.”

(Female, Group A2)

Inheritance and other kinds of family-asset transfers

Inheritance and any kind of family-asset transfer⁸⁸, constitute extremely important elements of the Greek housing system and especially Housing Familialism. Inheritance is a key route of accessing homeownership and a main gear of its reproduction on a societal and a market

⁸⁸ Parental donation, selling an asset and offer the money to the children, grant use and income of another owned asset etc.

level⁸⁹. People having inherited a house themselves seem strongly more inclined to pass a house down to their children. This may signify that people having bought a house through their own savings may have a bit weaker attachment to inheritance and an ‘obligation’ to make their children homeowners. Although inheritance offers an immediate relief to housing needs, it has slowly started to be considered in some cases a burden; this especially the case with inherited or donated secondary homes. Indeed, inheritance and parental donations explain to a significant part the large number of second-house owners in Greece, especially in the countryside. Additional housing assets (holiday/vacation homes, secondary homes etc.) impose an increasing financial burden on households, due to latest years’ across-the-board (horizontal) increase of real estate property taxation – including under-used and/or vacant assets – and the country’s financial instability. On this topic, a number of interviewees reported being stuck with inherited or donated assets which they cannot sell, lease, renovate and use, or in any way dispose of them; due to low demand, deficient maintenance, bad condition of the asset etc. Apart from being taxed without generating an income, under-used dwellings relate to deadlocked capital.

5. Renting versus Homeowning, and Housing mentalities

Greek interviewees underlined the significant advantage of flexibility when renting a house. Often stated as the sole advantage over homeownership, flexibility is mainly linked to the ‘privilege’ of choice. Renters are generally considered and consider themselves far less tied to a specific asset and/or locale, having the ‘freedom’ of leaving a specific rented house at practically any time and for any reason they want. That being said, this is often no more than an imaginary potential as it is heavily dependent on the quality of the accessible⁹⁰ offered stock and the level and stability of the family income. While rents have significantly dropped when compared to pre-crisis levels, so do family incomes, while there is a debate on the quality of the stock this drop refers to. Also, according to most interviewees there is a negative discord between the quality of rental housing offered and the respective rent prices. In any case, Renters are uniformly – but for a few exceptions – described as having more ‘freedom’ – at least in terms of (geographical) mobility.

⁸⁹ For the analysis of the mechanisms’ interaction, please refer to the literature review part of the thesis

⁹⁰ ‘Affordable’ cannot be used here. If someone has the financial capability to acquire something, then it is affordable to them

Inversely, this ‘mobility’ of renters is in many cases considered an element of insecurity and therefore is not welcome.

“I was always of the opinion that- both me and my husband- we were always of the opinion that we should be somewhere having the safety of our own house, and not being like gypsies ((pejoratively))- you know what I mean, I do not disdain anyone- in a gypsy-like situation in the sense of being here and there [...]”

(Female, Group E2)

On a financial level homeownership is considered incomparably less costly than renting, with the exception of heavily indebted homeowners. Renters are in most cases considered more advantageous than heavily indebted homeowners (mortgage loans in arrears).

“Well, I think people on rent are better off people having a house on a (mortgage) loan, ok? From those having a house without a loan, no; I think the latter are better off. But (compared) to those having their own owned house on loan, it is better being a renter.”

(Male, Group B2)

“If you have no money, if you are unemployed, you cannot pay the rent; so are much more stressed; while a house, they can at most cut the power. That is, no one will take it from you [...] It is safety ((low assertive voice)) [...]”

(Female, Group A2)

This however seems to be a clear effect of the financial crisis effects and the increased real estate taxation. Increased real estate property taxation, has introduced the majority of people into a reasoning of reassessing how trouble-free homeownership actually is. During the Greek sovereign debt crisis renters – and especially those with the financial capacity – seem to have improved their bargaining position on rent levels and use restrictions. Nevertheless, due to low Greek mortgage-loan indebtedness of homeowners (less than 20% of the total homeowners and 16% of the total population) and high homeownership rates, this change in mentality seems to have little impact on making renting more attractive. Primary residences and inherited assets are even less affected by this trend. Despite all these during an interview a former renter described herself as ‘wiser’ due his renting experience which helped making better choices when purchasing her own house. And this is an important point to consider.

Renting a house but not a home?

Despite this uniformly acknowledged advantage of flexibility and the disadvantages attributed to homeownership, renting is considered a temporary/transitional option identified with specific life phases and conditions i.e. students, off-hometown and military employees, immigrants, people in hardship etc. There is a number for reasons for this homeownership preference over renting.

Firstly, there is a uniform mentality and strong belief that money paid as a rent are generally ‘wasted money’. The same amount could be used either as a monthly mortgage loan instalment which would eventually lead to the outright ownership of the housing asset. Alternatively, people can extend cohabitation with the parents so as to ensure monthly savings until they gather the upfront amount necessary to access a mortgage loan, or until inheritance ‘solves’ the housing problem. Previous decades saw the comparatively ‘trouble-free’ homeownership prevailing and dominating as the ultimate financial security, while renting was and still is regarded as a money-waster; albeit few exceptions.

“I think not (many years rents did not go to waste), and I think my mother too. As we owned no house we somehow had to- it is absolutely normal staying in rent if you do not have your own house [...] no, you rent a service offered. I think it’s very normal.”

(Male, Group D2)

Recent years’ rise in housing asset taxation, housing price rapid over-inflation and radical depreciation, and the overall country-wide financial turbulence have somehow shaken and stained the ‘trouble-free’ profile of homeownership. Still, this is not impactful enough to trigger a housing system change or even near to make renting seem competitive compared to homeownership, yet. Without a doubt this is related to the next point.

Secondly, there are quality issues related to the rental housing sector. There seems to be a perpetuating vicious circle of mistrust between Renters and Landlords/Owners and vice versa. Both Renters and Homeowners⁹¹ seem to find the rental housing sector of considerably lower quality in terms of value-for-money⁹² i.e. what a mortgage loan could

⁹¹ With or without any kind of prior renting experience

⁹² On course this cannot be generalized for the total for the rental housing stock as higher-rent assets tend to be of far better quality. However, this does not concern the majority of people and surely not the specific interviewees

provide for the same or slightly higher monthly payment. From the renters' point of view during the interviews landlords were mainly presented as indifferent regarding the condition of the asset and negligent. This was noted regardless of the case described and throughout the rental period. From the owners-landlords' point of view Renters will in most cases be (assumably) neglectful and damaging to the asset so there is no sense in investing to improve it. After leaving renters are expected to have damaged the house, so any money will go to properly restoring rather than upgrading it. So, landlords spend the minimum possible believing it is financially meaningless to do otherwise and Renters have no motivation to upgrade an asset it is not theirs and in many cases of a lower-than-expected quality.

“As a building manager- [...] the maintenance, lousy; the building maintenance, lousy; they do not even respect common areas. I think- not ‘think’- you think they have a hatred with owners; they go in and destroy everything they can, they care about nothing [...] I think you mind (take care of) your own thing more.”

(Female, Group E2)

Thirdly, there are issues with the legal framework on renting. On the one hand, participants interviewed (Renters and Homeowners) link renting to a low level of legislative protection. This leads to renters being susceptible to the landlords' disposition regarding rent levels, maintenance and upgrade, limitations on use, eviction for owner-occupancy etc., and an often 'forced' change of house. On the other hand, Landlords describe a precarious situation regarding stable monthly rent payment, post-leave damages and utility bill arrears, bureaucratic and slow eviction processes etc.

“[...] On the other hand there is this mentality of- regarding maintenance let's say, or from a cost perspective, you do not care if it is not yours, in having some- or you do not have the concern of doing some improvement, some upgrade. On the other hand, you may have wanted to do something and thinking ‘Not being mine, putting some money in doing something and leave after two years; and the money will go to waste’ [...]”

(Male, Group D2)

The above outline and largely explain the perpetuating and self-enhancing pro-homeownership mentality in Greece. Renters seem only able to rent *just a house* rather than a *Home* – despite most of them acknowledging there is no need to link *home* with *ownership*. Landlords' do not seem to have any incentive to invest on and improve their assets under such precarious conditions. In most cases this kind of income is mostly supplementary and volatile. Increased taxation on rental income has made its limited contribution to the monthly family income even smaller, further discouraging the development and improvement of a private rental housing sector.

Closing this section, for a few landlords wanting to rent assets on a more systematic manner and to attract a reliable but more demanding renting clientele, there is a change of approach that should be noted. However, housing upgrade financing programmes now in hibernation and an overall problematic financial context this trend has still to realize its full potential.

6. Asset-based Welfare and Trade-off

For most participants ownership of the primary residence is mostly a kind of welfare/social service covering the basic need of accommodation. The enclosed capital of the housing assets – with very few exceptions – is not (seriously) considered as being anytime and anyway available to tap into. This in turn, strongly hinders and kind of investment perspective linked to housing assets. The recent years' dramatic drop of housing prices has a lot to do with this mentality but mostly as a reinforcing or hindering factor. The ongoing crisis made Greek people realize the financial risk accompanying housing asset acquisition, and question its hedging capacity as a savings strategy and/or an always ready-to-liquidate capital in case of need. Nevertheless, primary residence ownership seems far less affected by this indicated change in mentality mostly due to its 'social service' attribute.

Apart from that, people seems willing to sell (or rent) their housing assets only to get a newer and better one, rather than to ensure any kind of better welfare services. Pre-crisis trend for more asset acquisition (land, houses etc.) was not accompanied by a clear management and investment risk vision. In turn, this lead to deadlocked capital value and assets

During the interviews there were no direct or indirect indications regarding the necessary preconditions to support the welfare trade-off theory. Homeownership appears to be strongly reinforced due to its potential role as a hedging mechanism. However, the specifics of this approach are far from defined i.e. there seems to be no specific way to do that apart from ensuring accommodation. Homeownership mentality is presented as being reinforced due to an insufficient and lacking welfare provision system, rather the other way round. There was no evidence or indication that people would settle for a lesser welfare state to ensure homeownership, which is however taken for granted.

“If the state had made sure I would have a good wage, that I would have the nanny to take care of my baby, that I would have the option of going to the hospital without paying [...] that I would have welfare provisions in general, I would not want to have neither a country house nor a (primary) house. this sense of ownership I have developed, I think is demonstrated through what I told you [...] it is a fail-safe because at least you know you will not end up on the streets.”

(Female, Group E2)

Housing for the majority of the participants – with few exceptions – is considered a social good and within the wider boundaries of the welfare state and thus in need for protection and promotion incentives. That being said health system, pensions, social security, employment and education are prioritized over housing regarding the responsibilities of the welfare state.

“[...] if you told me ‘you would lose something in housing but you would gain something in health care, hospitals, education’, I would prefer health care.”

(Female, Group A2)

Housing functions as the ‘wobbly pillar’ of the welfare state and in the Greek case it has indeed been used as a stabilizing factor in an otherwise unstable welfare provision system. Focusing mainly and almost exclusively to the primary residence, this was especially valid in the past and seems to keep much of its ‘social hue’ today, despite the recent years’ radical reforms of the welfare state.

Compared to other welfare state services housing seems to have been the most accessible for the family network combined with market forces, to affect and influence. Thus, despite an otherwise ‘insufficient’ welfare system housing seemed to somehow work. Today, Greek people consider housing a responsibility of the state to a large part and especially about the primary residence protection and promotion. However, hopes for improvement in the immediate future are extremely low.

7. Mortgage Loan market realities and perspectives

Greek people are more exposed to mortgage loans compared to Bulgarian people, and this had also been reflected in the interviews. Mortgaged homeowners participating in the research did not express any specific complaints about the level of the monthly instalment, with some exceptions mainly related to an abrupt drop in the family income. People’s stories verify the bank’s openness and carelessness in granting higher and more loans during the 2000-2010 decade⁹³, with little attention to borrower’s actual repaying capacity. Despite criticism there has been not specific negative stance towards mortgage loans. However, people interviewed and having almost repaid their loan are not willing to re-engaged with some similar process – either to get a better and newer house or purchase another type of real estate property. What seems to deter active and prospective borrowers is mostly related to an overall employment and income precarity, rather than bank-specific issues like interest rates. Debt-free homeowner interviewees consider themselves lucky, regardless of a mortgage loan offering the chance to gain access to or improve housing.

Banks have been seriously criticizes regarding their stance on credit provision. Easy loans led to an over-inflation of house prices⁹⁴, suppression of the rental housing sector development and a society-wide consumerist mentality which affected housing in multiple ways. Most participants seemed to agree with stricter lending criteria, both as bank and social protection measure. Same goes for participants indifferent to the social aspect; banks are no charity institutions so less and healthier loans will be good for the business. Most mortgaged homeowners somehow expected banks to be more sensitive to their hardship

⁹³ Before that mortgage loans were hard to get (criteria) and limited in coverage (percentage of the total amount needed). Even loans granted by the former Workers House Organization (favourable terms) were not enough to cover the whole amount and an additional bank loan would be necessary

⁹⁴ Which is considered by many as the 2000-2010 Greek Housing bubble. For a discussion on this issue please refer to the literature review section

and examine on a case-by-case basis. This view seems especially reinforced by the fact that most Greeks hold the banking system – even partially – responsible for their indebtedness. For most interviewees a significant level of state intervention in the banking system has been stated as desired and necessary.

It should be noted that given the low percentage of mortgaged homeowners, some participants' negative opinion towards banks should have been largely formed due to the overall loan indebtedness and not housing loans specifically. Pre-2000 and back, mortgage-based lending was inaccessible for a large part of the society. Often, construction transactions mainly involved some kind of agreement between the constructor and the buyer, land-owner or employer⁹⁵. According to the interviewees' experiences the pre-2000 era provided better chances for savings and borrowing-repaying loans, especially through state-promoted incentives and reliefs. Nevertheless, older generations are considered having been more accustomed to a financially restrained' life which led them to homeownership.

8. Lobbying for housing issues and Civic Engagement

The general outcome of the Greek interviews regarding civic Engagement – albeit some exceptions – is the overall positive alignment of people towards civic movements and initiatives. Claiming the rights to better housing condition is considered extremely important and necessary in almost every case, and especially regarding the primary residence. Regardless of age, participants expressed the desire for an expansion and intensification of civic engagement. However, the positive disposition towards civic movements in the majority of cases is exhausted on a theoretical discussion rather than some actual participation. In fact, few interviewees mentioned involvement – past or current – in any kind of civic initiative of any kind and scope. One of the main hindrances is people's fear of political parties and their mechanisms always permeating all kinds of citizen movement, rendering them 'impure'⁹⁶ in scope and approach. Therefore, even people with a strong participation dynamic expressed extreme reluctance to step up and be involved. Even at the slightest indication or suspicion concerning political clientelism

⁹⁵ Indicating some kind of 'bank-less' market

⁹⁶ Clientelistic, corrupted etc.

people will refrain from or quit participating, as only a small minority of the participants has some actually gain.

“[...] I am generally annoyed with things being directed by political offices- [...] if it wasn't under such a logic and fixed mentalities, yes gladly; it would be a very pleasant, i.e. a very good approach, but I do not know if something like that could exist in Greece.” (Male, Group D2)

Secondly, regardless of political interference there is a common belief that civic movements – even ‘pure’ ones – are doomed to fail. However, young people feel slightly more optimistic about the future of such movements. Linking weak civic engagement to expectations, it seems that low participation levels further reinforce disappointment and suppress expectation regarding the role of the state in housing.

“[...] I would participate, simply having in the back of my mind that we are not going to do anything through this [...] I am very disappointed. I would just- only to- not to revolt- only to say that ‘Yes, I (tried) too’ [...]” (Male, Group A2)

6.4 Conclusion: Discussion Highlights

The present chapter has been rather extensive on its scope covering both quantitative and qualitative data analysis. As the final and detailed juxtaposition and combination of the results will take place in the final chapter, I prefer to visualize some data-generated highlights. Referring to figure 3.1 (Chapter 3) I argue that homeownership in both countries has moved away from its 'social' character and gradually towards a more 'market-based' homeownership. This is on the one hand due to seriously weakened state support and protection in Bulgaria, and a radical increase in housing costs in Greece, post-1990 but especially during the last ten years. Putting together Housing Experts and People opinions the following two diagrams emerge, showing the housing systems evolution as perceived by them and also based on their housing experiences.

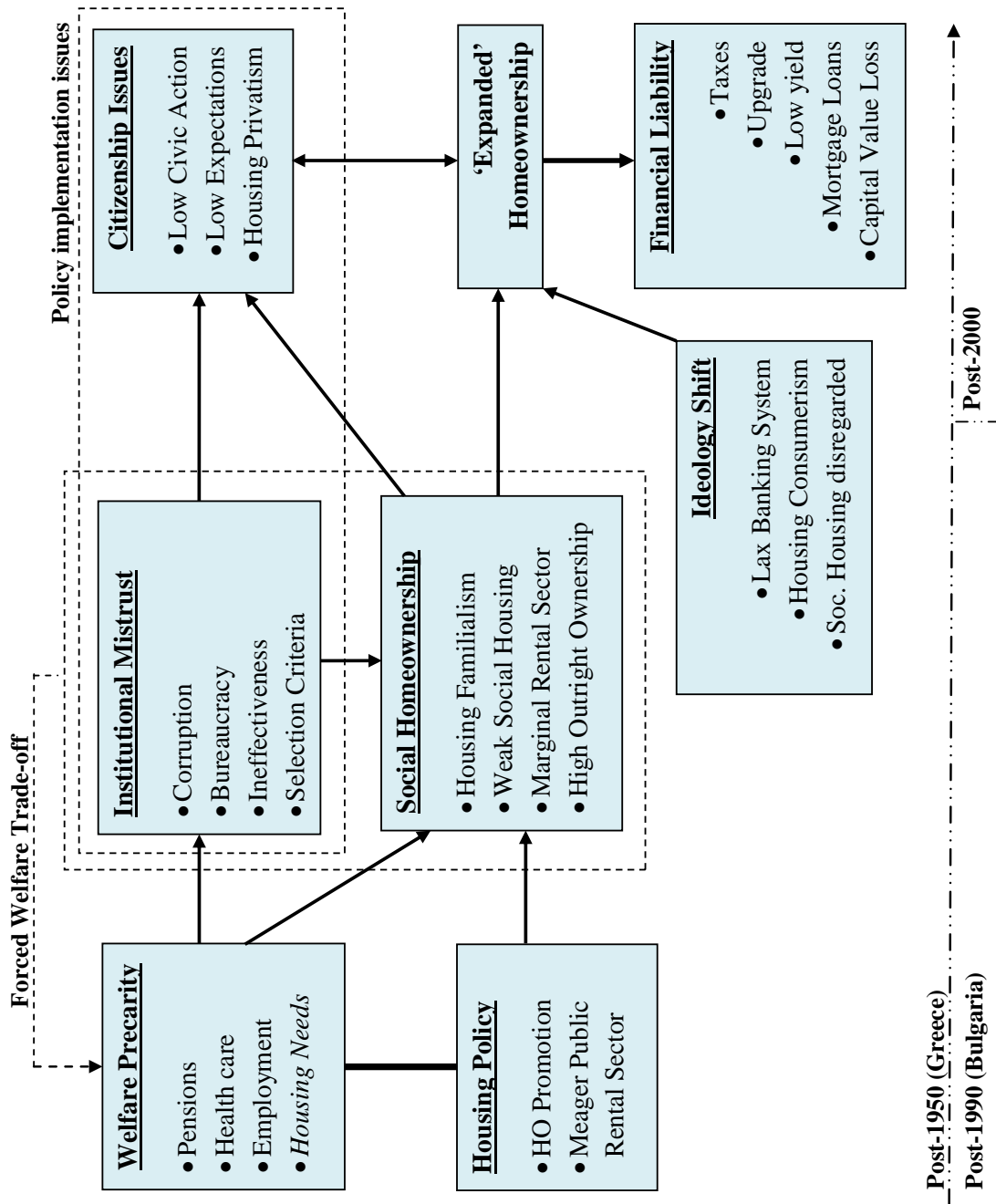


Figure 6.25 - Links between different housing related concepts, according to People Interviews in Bulgaria and Greece (source: Author)

This Diagram consolidates the 'Real People' Interview Findings as analyzed. It demonstrates the causal links between conceptual nodes regarding Housing system evolution from 1950/1990 to 2000, and from 2000 and onwards. Simple lines indicate connections, while arrows indicate reinforcing effects.

Table 6.20 has been based on Bulgarian and Greek people opinions on various risks and dependencies related to homeownership and renting. 'Guests' refer to people cohabitating with the homeowners, mainly adult children. From this table is evident that dependency on income is very high regardless of existing mortgage. Due to severe drop in house prices during the last 5 years, Greek Homeowners are subject to capital value loss should they decide or need to sell their home. Bulgarian Homeowners on the other hand feel more exposed to quality issues, which agrees with the overall discussion on the housing quality issues in Bulgaria. Concurring with observations on increased property taxation, Greek Homeowners are subject to taxation burden, which is overall high except very old and comparatively smaller houses. For Bulgarian and Greek Guests, inheritance seems the main means to access better housing conditions. Table 6.20 relates to some of the points mentioned in the following Table 6.21, which is obviously far more extensive, including all themes discussed.

According to the above diagrams it is clear that there is a connection between housing-homeownership and welfare. Weak social housing and welfare state seem to enhance the role of homeownership as a welfare backup. This is also supported by section C in Table 6.21. Homeownership is strongly perceived as social good that should be protected and allowed to be provided, although the ways this should be done are rarely clear and defined. People in both countries have low expectations on state-aid regarding housing. Desired intervention dominantly regard ensured access to homeownership for those without and strong protective framework for existing homeowners (Table 6.21, Section E). and weak civic dynamics do not help towards claiming such interventions from the public sector (Table 6.21, section F).

The modern era has certainly moved housing provision closer to pre-commodification in both countries but for different reasons. Bulgarian citizens are exposed to risks related to costs regarding the maintenance and upgrade of their homes. This is strongly dependent on their income and usually out of reach for the average citizen. Greek citizens face severe housing costs burdens mostly related to rapidly increased taxation during the crisis' years. With low incomes and increasing needs in terms of housing maintenance, outright homeownership has already started to show its limitations as a factor of housing decommodification.

Risks & Dependencies per Tenure	Risks					Dependencies	
	Capital Value Loss	Taxation Exposure	Tenure Precarity	Housing Quality Issues		Income	Inheritance
	Bulgaria						
Mortgaged Homeowners	Low to Medium	Very Low	Med. to V. High	Asset-based		Very High	Low to Med.
Outright Homeowners	Low to Med.	Very Low	Low	Very High		High	Low
Renters	None	None	None to Med.	Income-based		Very High	Very High
Guests	None	None	None to Low	High		Aim-based	Very High
	Greece						
Mortgaged Homeowners	Med. to Very High	Very High	Med. To High	Low		Very High	Low to Med.
Outright Homeowners	Low to High	Low to High	Low	Asset-based		Med. to High	Low
Renters	None	None	None to Med.	Income-based		Very High	Very High
Guests	None	None	None to Low	High		Aim-based	Very High
<i>Tenure precarity</i> includes foreclosure risk; <i>Income</i> includes all recurring sources formal (pensions, wages) or informal (e.g. Family-aid); <i>Aim-based</i> refers to the housing and life plan of each person; <i>Asset-based</i> depends on the physical condition of the house; <i>None</i> is subjective							

Table 6.20 - Risks and Dependencies per Tenure, as understood by Bulgarian and Greek People (source: author)

	Bulgaria	Greece
A. General Characteristics & Issues		
Dominant housing profile	Legacy Housing-blocks, small apartments	lower-rise apartment buildings, fewer and larger apartments
Most dominant housing issue	maintenance, numerous homeowners, condition of the asset	Financial over-burden, especially due to secondary housing assets
Housing stock and maintenance issues	severe	medium but vary; often unclear
Dominant problems with Social Housing legacy	housing-blocks' condition, high maintenance and upgrade costs	quality issues, high maintenance and upgrade costs, property titles
Self-building positioning and intensity	marginal / very infrequent	marginal / very infrequent
House vs. Apartment preference	very strong	medium to strong
Perceived homelessness risk	very low	low
Cohabitation issues	low-to-medium	low
B. Housing Finance		
Asset-based Welfare	unrealisable	unrealisable
Debt-free homeownership	extremely high	very high
Financial aspect of homeownership	very low	low but varies (tier etc.)
Housing taxation financial impact	barely noticeable	medium to serious
Housing taxation Civic impact	none	Serious
Housing tax aversion	-	High
Mortgage-loan aversion	extremely strong	very strong
Employment and income precarity	very high	very high
C. Renting vs. Homeownership		
Homeownership inertia	extremely strong	extremely strong (primary residence)
Social Housing and Homeownership link	extremely strong	extremely strong
Social aspect of homeownership	Dominant	Dominant
Rental housing sector positioning	marginal	marginal
Current rental housing dynamic	very low	low
Current rental housing sector attractiveness	extremely low	low
D. Legal and Regulatory Framework		
Primary residence protection mode	Debt-free ownership	Debt-free ownership and partially legislation
Primary residence protection level	legally low, de facto high	legally medium, de facto high
Post-foreclosure debt-relief	none	none
Banking System regulation (desired)	strong	strong
E. Role of the State and Welfare Housing		
Central State vs. Municipalities (efficiency)	municipalities (strong preference)	no preference; both rejected
Housing responsibility allocation	municipalities	Central State
Expectations on positive intervention	very low	low
Prioritized areas of desired intervention	young families' homeownership incentives	primary residence taxation, regulative framework
Social Housing intervention mode (desired)	Homeownership incentives, state-backed loans, bank regulation	tax reliefs, homeownership incentives, state-backed loans, bank regulation
State intervention (desired)	indirect, regulative, supportive	indirect, regulative, supportive
Welfare Trade-off	notably undesired	notably undesired
F. Civic engagement and Institutional issues		
Civic engagement dynamic	very low	very low
Institutional mistrust	extremely high	extremely high
Housing-related corruption	marginal	marginal

Table 6.21 - Comparative Thematic Table based on Bulgarian and Greek People Interviews (source: author)

Closing Remarks

Regarding the Bulgarian housing policy the strongest driver for change (evolutionary) is the Socialist-Communist era housing legacy stock with its pronounced and fairly obvious physical issues. For Greece it is more proper to talk about a transition phase to a significantly more commodified homeownership, losing much of its former function as a social welfare provision. With such high homeownership rates, real estate taxation seems the key catalyst in transforming the debt-free social homeownership imputed rent (as a kind of social housing allowance) to taxable capital. For both countries a strong and effective new housing policy will be undoubtedly required; in Bulgaria to promote, coordinate and optimise physical interventions coordinating the private and the public sectors, and in Greece to create responsive and effective systemic absorbers like bolstering an attractive private rental sector, and making use of the available and underused housing assets.

Chapter 7 – Conclusions and Discussion

7.1 Introduction

In this final chapter elements from different parts of the thesis are brought together in a dialectic manner in order to give coherent and clear answers on questions set according to the Research Design phase. Moreover, topics of interest that emerged during the research are likewise discussed herein. Aggregating findings and data from the whole research will often make hard to discern whether discussed conclusions or opinions have been based on quantitative statistics or qualitative data, in a clean-cut manner. The chapter is divided in three conceptual parts. Research hypotheses, objectives and questions set in chapter 4 are being analyzed first. Secondly, I discuss on the themes which emerged during the research as a result of the Research Design (*see* Chapter 4). For the conclusion, I argue on certain issues keeping a forward-looking approach.

7.2 Assessment on Research Objectives

1. *Assess absolute (compared to EU) and relative “under-performance” or “over-performance”, in terms of housing outcomes*

When assessing housing outcomes it is hardly possible or even appropriate to seek giving a single answer including all aspects of a housing system. This is also the case for Bulgaria and Greece. Housing outcomes regard multiple aspects of the housing realities, having different driving forces and repercussions. In some matters personal opinions and experiences seem to shape what is 'good', 'bad', 'preferred', 'sufficient', 'satisfactory' etc. For example people in a society may very well consider satisfactory housing of smaller or larger space than standards set in international data collection processes. Moreover, what is considered sufficient in one country may not be so in another. Mainly drawing from the analysis in Chapter 6 there is a number of conclusions that can be drawn.

Outright homeownership persists as the main means of protection against homelessness risks. It also functions as a counter against a practically non-existent welfare state regarding housing provision and newer households' access to housing. High outright homeownership

keeps the Bulgarian and Greek housing systems relatively more 'decommodified' when compared to other European countries. That being said, more Greek people are exposed to mortgage loans than in Bulgaria.

In terms of housing stock condition, both Bulgaria and Greece have lower percentages of older buildings compared to other European countries examined. The age of the stock does not appear to be an issue in the two countries. However, Bulgaria has serious issues with the condition of the dwellings due to construction quality during the Soviet era. This is something that repeatedly came up during the interviews with housing experts and people in Bulgaria. There is a constant unrest, concern and insecurity related to the housing conditions of people residing in housing units belonging to large housing estates, legacy of the Socialist times. These are linked to issues with maintenance and upgrade of the stock, heating costs, communication and agreement with other apartment owners.

In Greece on the other hand do not seem concerned with issues relating to the physical condition of their assets. This of course is linked to the overall better condition of condominium housing built during the last decades, compared to Bulgaria. That being said, based on personal observation and experience, the overview of the housing stock in urban areas does not excuse such an absence of these issues from interviews. Not all dwellings are in top condition, and there is a certain need for maintenance and upgrade of the majority of the occupied stock, albeit not even comparable to the Bulgarian case. Greek people heavily preoccupied with financial issues burdening their housing condition. This is clearly reflected on statistical data presented in Chapter 6 describing the radically increased financial burden imposed on housing during the Greek financial crisis. This of course is due to a radically increased property taxation, combined with severe drop in GDP per capita and household incomes and wealth.

In both countries the feeling of disappointment with the involvement of the state in housing matters is especially intense and had been expressed in almost every interview and occasion. However, I discerned an underlying difference between the two countries. Bulgarian people, however disappointed with the 'absence' of the state post-1990 in housing provision, seem to actually *expect* the state to step in at some point. Moreover, there is a more or less dormant *demand* from Bulgarians for state intervention. On the other hand, Greeks seem to *avoid* any involvement with the state whatever the case, of course including

housing. Even in the few cases Greek people expressed their desire for the state to do something, this seemed somehow *driven* by the flow of the discussion rather than anything more. This has also been reflected in answers regarding the willingness to participate in civic movements related to improving housing conditions in any way. I discerned a slightly stronger dynamic within the Bulgarian society. Housing experts followed this trend as in Bulgaria experts seem more engaged and willing to speak up and actively participate. Greek experts on the other hand seem to support state involvement mostly based on their professional or academic knowledge and rationality supporting such opinions. I have no doubt this is strongly related to the way the housing systems were formed during the years, despite some common elements like high outright homeownership. The Bulgarian system has been permeated by the Socialist state, where the role and presence of the state mechanisms was explicit and mostly unavoidable. Housing was of course included in this system, even though homeownership became dominant even since the 50's. This past experience is still persistent in middle and older ages of interviewees. This in no way signifies Bulgarian people desire any kind of return to Socialist patterns, and Bulgarians want to have full control over their housing conditions.

The Greek housing system on the other hand has been allowed to form setting its own rules regulating the mechanisms of housing self-provision early post-War and later on with the increasing involvement of a gradually more active but small construction sector. During this evolution the ever-present state - albeit away from direct involvement - offered a framework which allowed self-provision mechanisms to function. This way, early post-War acute housing needs were more or less covered. Till today the Greek state has not been able to deal with housing construction informalities carried forward from previous eras. Drawing from the interviews with Greek people, discussing about involvement of the state in housing was borderline mocked and certainly unwelcome.

In both countries, housing is considered as a deeply personal and family matter, but in a different way. Bulgarians expect the state to fulfil its obligation by ensuring a framework which allows housing familialist provision, and protect homeownership thereafter. Greek people expect the state to keep off anything that may disrupt the way the housing system has functioned all these decades through the interaction of family and market.

The assumption that the previous functioning of the housing market and system in Greece was more or less sustainable can to a certain degree be understood but remains a dangerous one. Indeed the pre-crisis housing system seemed to have reached equilibrium and a certain degree of efficiency. After all the large part of the population had its own owned house, and the overall housing conditions were far from abysmal. The average Bulgarian and Greek household owns almost one and a half dwelling, higher than the other European countries examined.

When compared to the EU-28 average and the rest of the EU countries examined, Bulgaria and Greece seem to lack overall dwelling space, with the latter faring clearly better. This dwelling space under-performance also regards Bulgarian and Greek homeowners with mortgage or loan who do not occupy significantly larger space compared to the respective outright homeowners (Fig. 6.5). This can be attributed to the fact that credit for housing came at a time of increased housing prices, limiting access to larger units.

Interesting enough Bulgaria and Greece present high rates of unoccupied and under-occupied dwellings, as examined in Chapter 6. In statistical terms, this may at a first glance be deemed as sign of housing over-supply. Again, this is a case where such overview statistics cannot perfectly serve each housing system differences and details. In Bulgaria under-occupancy is linked to serious demographic shifts. Bulgarian people and housing experts repeatedly expressed their concern for the significant demographic shrinkage due to emigration, and its effects on housing conditions. Large numbers of housing units are now left vacant as their owners leave the country to seek better life chances in foreign countries. This affects the degradation of under-occupied and under-maintained housing units. Especially in Legacy housing estates, vacancies create problems to other owners trying to reach an agreement regarding common areas and the building as a whole. In Greece, under-occupancy mostly relates to secondary housing in the countryside, due to inheritance or bought for holiday use. However, vacancies become an increasing problem also in the Athens centre (Kanellis, 2017b). Countryside houses are also a strong factor of vacancies in Bulgaria. What is not clear is whether the excessive stock is able to enter the market, and under which conditions. According to the interview findings for example, most countryside and vacation homes either due to their physical condition or location, are deemed unfit to enter the market and be offered for first time buyers. The same goes for owner-occupiers who may want to move.

However, and especially in urban areas, there is a significant part of newly-built stock in multi-family buildings which remains out-of-reach for the majority of the average Bulgarian and Greek citizen. Due to lower and unstable incomes, working and middle class people cannot afford these better homes. On the other hand, upper-class people prefer lower densities in suburb housing areas. Therefore, large part of the post-2000 housing stock now remains 'unwanted' and *de facto* out-of-market, contributing to vacancy rates.

As shown in chapter 6, relatively analyzed it can be said that both systems 'succeeded' in preventing homelessness in its classic sense i.e. have people in the streets, while establishing socio-political order which could not be otherwise ensured in a weak welfare state. The big question here is 'at what cost'? Overcrowding and extended intergenerational cohabitation and low mobility provide some evidence on that. Even though *mobility* cannot be directly linked to housing system performance, it may indicate a lower chance of experiencing better housing conditions. From this point of view both Bulgaria and Greece underperform compared to EU-28 mobility averages (*see* Fig. 6.13). However, this is somehow expected in countries with high homeownership rates and is further hindered by underdeveloped housing credit systems and market. Bulgaria is overall more overcrowded than Greece; and both of them compared to EU-28 and the rest of the selected EU countries (Fig. 6.14). When compared to other tenures in Bulgaria, outright homeowners fare better.

In both countries, very low rates of homelessness have significantly contributed to the low dynamic on discussions concerning the improvement of the housing system. Even the Financial crisis has slightly affected homelessness in Bulgaria and Greece. Although in the latter, NGOs and newspaper articles refer to gradually increasing numbers of homeless people and far more in precarious housing (Sotirchou, 2016), albeit not comparable to other European countries. Moreover, homelessness has historically been linked to cases of extremely marginalized poor people with serious health problems, and no family to take care of them. In terms of housing affordability, price-to-income ratio is often used. As shown on table 6.10 (Chapter 6), Bulgaria and Greece are in good standing compared to other European countries. However, the situation in Greece is a bit different that what this ratio can tell. Radically increased recurrent property taxation costs during the last five years, have severely affected the cost of ownership.

2. *Present evidence on State-Market-Family triangle interactions, shifts and transformations regarding housing welfare*

When examining the interactions of actors and institutions within the state-market-triangle regarding housing welfare, the time factor needs to be seriously taken into consideration. In both Bulgaria and Greece, the dominant player in the housing provision is the family network. From a historical retrospective Bulgaria has seen this *housing familialism* radically rise mostly since few years before 1990, while in Greece this goes back to almost immediately post-War. Nevertheless, it would be false to equate the two housing systems based on family-based housing provision. On the one hand, characterization does not say much about the mixture of various actors' participation in housing provision. Even though the family remains central, its strategy varies and tries adapting to shifting dynamics. As shown in previous chapters, the role of the state and the market has changed during the decades, and in turn caused the change in family housing strategies. Since 1990s the role of the market was mostly that of the 'constructor'. Small-scale constructors covered local housing needs, mainly driven by family housing demands. In early post-War decades the family network contributed not only in money but also in labour. Post-1995 with the gradual expansion of the housing credit, market's role changed providing access to housing through purchase from the available stock. In Bulgaria the main difference concerned the construction of urban housing which led to a legacy of massive housing estates from the Socialist era. *Inheritance* and *Parental Grants* and *Donations*, have historically persisted as the key-tool in ensuring housing for younger generations, regardless of construction trends. Today, there seems to be a strengthening of housing familialism as a reaction to the global financial crisis effects on incomes. That being said, there are indications of changing trends, especially in Greece, and remains to be seen if and how family strategies will adapt and evolve. While in previous decades housing familialism was strongly characterized by transfer of any available assets, such dynamics have been severely hindered and almost put on hold, due to rapid increase in property taxation. Increase in one-time asset-donation tax render such transfers unattractive amid a seriously unstable Greek financial climate. Moreover, recurrent property taxation makes ownership to-be-avoided for younger generations struggling with unemployment, underpayment and unstable income. So, housing asset transfers mostly regard *inheritance* due to parents passing out, or houses that 'worth it' and younger owners can pay to keep. In the majority of cases though, cohabitation

tries to absorb system shocks affecting younger people accessing proper housing. Nevertheless, it should be noted that cohabitation levels are high across Europe, with increasing trends during the crisis. Therefore, it is not exclusive to southern European countries (Malik, 2014).

In Bulgaria, the picture is somehow different as the lack of tax burden has still to become heavy. The main issue there regards younger people leaving the country to find better employment and improve income levels. Family houses are either left vacant or used by the family left behind. The low capital value of the majority of outright owned houses, seems to be the main force keeping them from being sold. As most secondary houses are not a viable option for primary housing, Bulgarians own underused houses that are in no condition to cover basic family housing needs. Simply put, accessing newer and better housing will require savings combined with selling existing owned house. The role of the state in housing provision and System has also changed during the decades in the two countries. This is actually a major point of discrepancy between Bulgarian and Greek case, albeit some similarities. Strongly driven by the communist political ideology, the Bulgarian Socialist state tried to deal with and cover housing needs by undertaking massive housing estate construction until 1975 when it gradually started diminishing its direct involvement and expenditure, but retaining strong control over housing production and market operation until 1990. The decade that followed the Bulgarian state completely retreated from housing provision, under the internal and external pressure for facilitating *laissez-faire* market operation on every financial field. Today, the Bulgarian state shows some reluctant signs of reaction to an extremely active community of housing academics and professionals. This is mainly fuelled by a long-lasting concern regarding the physical condition of legacy housing assets, and society demands for improvement of housing conditions overall. Housing policy is still considered lacking, and at best fragmented. There is a hesitantly increasing effort to absorb European energy upgrade funds more effectively, which is has yet to find a pace. Lack of institutional framework to support participation in building upgrade programmes, extended vacancies, and bureaucratic perplexities deter sufficient use of available funds. Until 2016, very few buildings had been improved using such funds.

The Greek state followed a different path. Bolstering outright homeownership through family own means early post-War, and consistently protecting its status the following decades. The construction sector as key player of the housing market, supported family

strategies for housing acquisition, especially since 1995. This if course, was allowed based on favourable regulatory and taxation framework, which was the case until few years before the 2010 Greek debt crisis.

In Bulgaria and Greece housing has historically consisted key element - a term - of the 'Social Contract'. This was directly and deterministically tied to outright homeownership, which became a cornerstone of these housing systems since the early post-War era. Today, both countries seem to lack a structured, coherent and in many cases evident housing policy. This is very much due to extended outright homeownership, which largely covers up underlying housing system and welfare issues. Without significant homelessness rates compared to other western European countries, housing has until recently been generally deemed as 'not a problem'. The main concern regarded how soon younger people would become owners and create their own family, as the two are very much linked. Nevertheless, interest in housing matters is bound to expand in both countries but for different reasons. That being said, I do not expect radical changes in housing policy anytime soon, but rather reactive ad-hoc policies when situation reaches a critical point. Eventually, housing policy will emerge as something coherent in both systems, but it is almost impossible to predict when and how, as political and financial macro-status is currently extremely volatile.

The housing market in both Bulgaria and Greece has entered and deep slumber since 2008, as the combined effect of extended outright homeownership, unstable income flows even before the financial crisis rendering housing credit unattractive, and the eventual drop in demand. Despite low housing prices, internal demand remains persistently low. Even in Greece where price have on average dropped three to fivefold, transactions keep declining. With grim perspective for financial growth so as to trigger a housing market reboot, foreign capital is presented as an obvious way out. Nevertheless, such demand will most probably target high-profile housing assets and especially in vacation destinations (Smith, 2014). Bolstering the growth of the relatively small Greek and extremely small Bulgarian rental sector could in theory absorb large part of the housing assets now left unwanted. However, this will required strong state-driven incentives and a wider shift in societal perceptions, which currently are strongly against renting.

3. *Decode the institutional particularities in these two countries in terms of mode and function (e.g. clientelistic & familialist networks, homeownership, secondary houses) linked to housing welfare*

When applying the theory analyzed in Chapter 2 regarding *institutional interaction*, some interesting conclusions can be drawn for the countries examined. During the Socialist times, the Bulgarian state was the dominant housing provider until c. 1980 where it gradually started its retrenchment. During that era the state institutions were dominating housing provision either directly or indirectly, with the familialist provision functioning as a *supplement* covering needs not satisfied otherwise. This mainly regarded housing outside the urban context and unrelated to Socialist employment schemes. After 1990 the state evidently abandoned housing provision, leaving the housing system in a flux. Soon, housing familialism became dominant and worked in *Synergy* with the newly re-born housing market. The state mechanism wherever still present contributed to *institutional compatibility* with the utmost goal to preserve socio-political stability.

In Greece institutional interaction followed a different path. Family, market and the state through its institutions reached an 'equilibrium' early on by establishing *compatibility*. With the state in the background setting the framework, family and the market worked in strong *Synergy* early post-War and since the 1970 where they gradually transitioned to *Coherence*.

Whether such paths led to increased efficiency is certainly open to debate, still inconclusive. Considering efficiency in terms of covering basic housing needs, regardless of quality, then yes, both Systems have historically performed. But whether the systems will still be able to perform given the changing requirements is seriously contested. Even though it is not fair using modern standards to assess housing systems with such deep roots in history, their capacity to perform is something worth examining. With only the family remaining as the main player in both systems, institutional interaction is severely hindered.

4. Explain Housing Policy and the State's role by employing the Esping-Andersen Welfare Regimes, Housing Corporatism and Varieties of Capitalism frameworks (multi-approach)

Employing the extended welfare regime framework, some interesting case-specific conclusions can be drawn, regarding housing policy and the role of the state. To begin with, housing policy has always been present in one way or another. I do not agree with the statement that housing policy is 'absent' in Bulgaria and Greece. This is just the perceived effect of the official state deciding the ways and level of involvement in housing. Homeownership in its various modes, has been and still constitutes a potent political tool and social peace moderator.

Both Bulgaria and Greece followed paths towards outright homeownership, and certainly sooner than their typically set country-groups. In Bulgaria this path bore the Socialist ideology and served the respective socio-political goals. In Greece people were allowed and indirectly empowered to build and own. In both cases, housing was not regarded or treated as a commodity, regardless of the regulatory framework and the kind of rights it offered. That being said housing was adding to the household property, but in most cases this was just a matter of accounting and written numbers. Household wealth, was rarely improved through this process, even after the initial financial burden had been overcome. This is pretty much the situation still today. Even in cases of secondary houses owned, enclosed wealth is not easy to release, and when necessary usually sold with value loss.

Housing was intended to be de-commodified until circa 1995, and had been always treated as such. In Bulgaria this was being ensured through heavy state regulation controlling market interactions. This gradually loosened from 1980 and on, leading to the 'liberalization' of the market post-1990. In Greece, the family was at the core of covering housing needs and almost certainly linked to financial 'sacrifices'. The available resources were not unlimited and soon tied to the housing asset. This led to a kind of 'sanctification' of the house as a token of family efforts and symbol of social achievement. Of course the historically turbulent macro-economy in Greece, did not help younger generations escape the pattern. In both countries, post-1990 generations had an overall difficulty acquiring their own house, regardless of family resources available. Therefore, familialism became severely limited to inheritance and any mode of the kind.

In both countries, homeownership was linked to wealth distribution in all social classes, nevertheless preserving inequalities. Homeownership in lower-to-middle classes was far less liquefiable and outside the market. Moving up the ladder, decommodification weakened and assets were easier to hold their value. For the state, promoting homeownership in both countries had multiple advantages. Apart from covering housing needs, homeownership has worked as a great booster of the construction industry. Even though this happened differently in Bulgaria (state control) and Greece (family-market initiative), the growth fuelled by construction was equally significant. Housing construction involved a high number of professions to which it provided employment and income. Protecting and further promoting outright homeownership allowed to keep people off the streets, therefore preserve social peace which could otherwise be seriously jeopardized. It also allowed family resource pooling towards covering welfare needs for its financially weaker members.

The Bulgaria and Greek housing systems developed distant to their welfare regimes, and mostly as a counter to lacklustre welfare state provision. While the latter can be deemed fitting the 'Mediterranean' and 'Post-socialist' types, housing regimes deviate in two major issues. Decommodification of Housing has historically been and still is high compared to EU levels. Even though this has not been achieved through 'western Europe' means, it was such nonetheless. High regulatory protection until few years before the GFC has supported this model pretty effectively. In Greece also pension schemes have historically been used at least partially as a means to housing self-provision for younger family members. Even shadow economy has historically supported the same goal in both countries. Pension schemes are currently weak in both countries and expected to go on down this path. This is also deviates from the Esping-Andersen typology bringing Bulgaria and Greece closer in terms of ideal-types.

Attempting to juxtapose housing systems with welfare regimes, while showing the change from the pre-1990s status towards the modern era, the following table comes up. For this, I am referring to Hoekstra's table (2003, p.62; also see Appendix I, Figure I.1). Interpreting the table, it is clear that Bulgaria made a significant leap from a largely Social-democratic direction towards a Liberal ideology and practice. Greece on the other hand presented a more mixed Corporatist-Liberal profile since post-War and pre-1990 and thus transition towards a Liberal-heavy profile does not theoretically seem so pronounced. Similarities

pre-1990 became significant in state and price regulation, housing policy and subsidies mostly the 1980-1990 decade. Decommodification remains a common element of the two housing systems throughout the years. Post-1990 the similarities between the two systems increased in number and clarity. It is pretty safe to conclude that we are talking about two very similar housing systems with different housing outcomes.

	Pre-1990	Post-1990
Bulgaria		
Decommodification	Social Democratic	Corporatist
Stratification	Social-Democratic (wide population), Corporatist (elite)	Liberal (newer stock)
State-Market-Family	Social-democratic	Corporatist (old stock), Liberal (newer stock)
State regulation	Social-democratic early post-War, Corporatist later	Corporatist in ideology, Liberal in practice
Housing Policy	Social-democratic in theory, Corporatist in practice	Corporatist in ideology, Liberal in practice
Subsidization	Social-democratic early post-War, Corporatist later	Liberal
Price regulation	Social-democratic early post-War, Corporatist later	Liberal
Allocation	Social-democratic in theory, Corporatist in practice	Liberal
Housing Provision	Social-democratic	Liberal
Greece		
Decommodification	Social Democratic	Corporatist
Stratification	Liberal	Liberal for newly-built stock and homeownership outsiders
State-Market-Family	Corporatist	Corporatist (old stock), Liberal (newer stock)
State regulation	Corporatist	Liberal
Housing Policy	Corporatist	Corporatist in ideology, Liberal in practice
Subsidization	Corporatist	Liberal
Price regulation	Liberal	Liberal
Allocation	Liberal	Liberal
Housing Provision	Corporatist	Liberal

Table 7.1 - Bulgarian and Greek Housing System Typology Transition (source: author)

Both countries seem problematic regarding the consistency between theory and practice in their housing policy. Without a doubt this is related to the discontinuity and fragmentation of housing policy, resembling a mosaic of uncoordinated housing-affecting regulations from numerous policy spheres – often hard to trace, operating mostly in an ambulance intervention fashion. Moreover this is also related to the importance of housing in the Social Contract and the severe effects in terms of political cost (see chapter 3). Moreover, stratification is not exactly copying occupational status, and is fairly blurred in middle to lower social classes. However, housing familialism remains the linking element with such classifications. Nevertheless, looking beyond that a big question is whether society is ready to change such patterns i.e. if familialism has reached a dead-end. Welfare state has been absent from housing for many decades, which seem to have forced housing familialism to develop and later become institutionalized as a housing provision channel. The welfare regimes of Bulgaria and Greece seem also to have entered a similar typology spectrum, with observed convergence trends. The overall liberalization of their market and the continuous search for public revenue, have moved the Greek housing system towards pre-commodification. Even though not still there, if the macro-economic status and the housing policy in Bulgaria do not change, I expect a similar development. Overall though, one of the major issues is that past typologies seemed to explain *what* i.e. status, rather than *why* i.e. underlying mechanics. Path-dependency for example is often invoked as the explanation while the roots of the issue lie even deeper.

Housing Corporatism in Bulgaria could not be present in the Socialist context and especially regarding housing which was centrally controlled. Post-1990, I could not deduce a concrete picture on lobbying around housing system evolution. The overall laxity of the state and the marketization of housing can be attributed to an overall social demand - also reinforced by extra-national forces - towards favouring neo-liberalism on all fronts. During Socialist times housing did not enter bargains, even though political elite often enjoyed better housing options, but as a collateral gain of political influence.

Housing Corporatism in Greece has been characterized by the strong pressing forces both from the family and the market poles. During the early post-War era combined lobbying of the two poles, contributed to the state allowing laxity in construction modes and urban planning regulation. As the System transitioned to a more stable phase, normalization of irregularities was also formed under the pressure of electorate will and construction sector

as a great contributor in national financial growth. Post-1990 the market forces did not help the creation of a proper regulatory framework regarding mortgage lending, as it would be then considered against *l' esprit du temps*. This eventually led to over-exposure of mortgaged homeowners which currently consists one of the biggest problems of the Greek housing and banking System. Nevertheless, it would be too farfetched claiming the lobbying was targeting housing in a conscious manner and following a plan. On a small local authority scale and during older times, pressure from local constructors and the community had been direct and immediate, and often through clientelistic channels. On a national level pressure was mostly related to electorate satisfaction and financial growth through the construction sector.

In the VoRC Bulgaria and Greece do not currently seem to tick all the boxes. Familialism and low mortgaging are valid indicators still, but it would be wrong to blindly classify these countries. On the one hand the mortgage market had a significant momentum from 2000 and since the GFC spill-over effects, which showed a transition towards *liberal* routes on that matter. This was mainly the case with Greece, but also Bulgaria showed similar signs. It is rather safe to assume that such momentum will eventually recover. This will also increase exposure to mortgage loans moving the system out widespread decommodification towards pre-commodification and perhaps even further. From a typology perspective (see Appendix I, Figure I.2) both the Bulgarian and Greek housing systems seem to fit the *Familialist VoRC* type, things are somehow complicated though. For example, housing is strongly considered a social right by the society as a whole. Interesting enough, this emerges even more pronounced in phases where housing security is jeopardized. Apart from that, homeowners and renters uncoordinated and often antagonistic, with system outsiders have issues entering accessing housing. Therefore, and if classification is of the essence, Bulgaria moved from *Statist-developmental* towards the *Familial* ideal-type, but keeping the 'social right' element of housing and low property tax revenue. Greece still lies somewhere between the *Corporatist* and *Familial* ideal-typical model, currently adding high property taxation as a Liberal element having moved the system strongly towards pre-commodification and high tax returns. Admittedly, the only strong connection with the Liberal Market type is high property taxation which only recently emerged. However this is a significant change with severe foreseeable impact in the housing systems, and therefore is important to consider.

Regarding the additional indicators on the VoRC analysis, owner-occupation indeed offers some differentiation but more specifically outright homeownership, which is key to both countries. Ownership as a total of both mortgaged and outright owners is also high in other European countries, therefore not of specific analytical and explanatory value. House prices trends, while an important indicator are not always easy to track in previous years. The global financial crisis severely affected prices in both countries. Before that, increased demand for newer or vacation housing led prices to high levels also due to expansion of mortgage lending available from 1995 and on. Still, family remained at the core of this change towards mortgage-based housing acquisition, as younger members rarely had the income stability required to ensure enough - or even at all - purchase credit. What the VoRC approach offers is highlighting the importance of housing as a hub where different forces meet and interact. Indeed in both countries housing stands central as a systemic stability regulator.

7.3 Answering Research Questions and Concluding on Hypotheses

1. What is the level and distribution of housing welfare in Bulgaria and Greece?

Answering about the level and distribution of housing welfare, requires clarification on its different aspects. Assessing Bulgaria and Greece in terms of housing welfare, is not a straightforward process. As presented in Chapter 6, expenditure on housing is meagre in both countries, even though still higher in Bulgaria. Therefore, from a social expenditure perspective, level of housing welfare is notably low and limited to a small number of beneficiaries. According to Eurostat data (spr_exp_sum data series) since 2013 the amount per inhabitant dedicated to housing needs was less than 1 and 0.5 Euro in Bulgaria and Greece respectively. This housing welfare support from the state operates in a kind of '*Ambulance Service*' (see Chapter 2).

When considering housing welfare as the access on a minimum level of housing, things may be analyzed differently. The widespread reach of outright homeownership, can be regarded as a means to ensuring low-cost housing. Indeed both housing systems during their evolution successfully countered pronounced homelessness phenomena. This of course could not be possible without the *family* backup and all related social and financial

compromises this may have incurred. From that point of view, housing welfare can be argued as constant and equal to the value of rent the homeowner would pay on a monthly basis to rent a house of comparable status, minus property tax for that particular asset. Thus, housing welfare regards the majority of the population i.e. having remarkably wide coverage.

While this theorization appears arguable, there are some important issues to consider. Primarily, the level of the housing welfare in this case is far from easy to quantify. In extremely underdeveloped and marginalized rental housing markets, it is precarious to attempt setting reliable benchmark rents. Moreover, it may be problematic to have an accurate estimation of the true beneficiaries, especially in cases of multi-generational cohabitation. For example, using an average Household size would give a picture of reduced coverage. The level of housing welfare dependent on outright homeownership is directly related to taxation imposed on housing assets. As current trends indicate, the Bulgarian System remains somehow better in terms of housing welfare.

Lastly, the inheritance element should be seriously considered in any case. The fact that family resources allow for housing assets to be transferred from one generation to another, is not a rational excuse for the absence of housing allowances and benefits.

2. What are the sources of housing welfare?

Since the beginning of the global financial crisis and its effect on mortgage credit and household incomes, the sources of housing welfare have significantly weakened. Until then a combination of family resources along with construction sector responsiveness operated towards such goals in a fairly sufficient manner, even though depending on and according to the financial dynamics of the respective era. Financial resources have been traditionally channelled to housing welfare through the family movable and immovable property, pension income, and employment of its members. In Greece, such channelling of family resources to housing can be significantly considered a major factor for pursuing the stable wage income of the public-sector employment and relevant rent-seeking. Today the picture is evidently different, as income sources have been limited and remain stagnant. Inheritance is the main carrier of housing welfare backed-up during earlier times, but realized only

upon death. Transfer-donation of housing parental assets has become limited due to the lack of resources able to cover older and younger households housing needs, usually leading to cohabitation. Lastly, transfers in money from other family members have diminished due to shrinking pension incomes (*see* Chapter 6), and reduction of family wealth.

Banking credit however limited played an increasingly active role since mid-1990s, but its evolution on both countries has been abruptly halted due to the GFC effects. Housing welfare has been boosted by banking credit of any kind, and not only mortgage-related. In both countries the phenomenon of borrowing money for consumption, rather than housing needs, has always been extended. On the one hand, mortgage significantly raises the sense of uncertainty. This led many people borrowing money with higher interest rates compared to mortgage loans, just to avoid the long-term mortgage exposure of their house. On the other hand - and related to the aforementioned - employment precarity did not offer neither the security nor the eligibility to pursue a mortgage loan. This has often been the reason of lacking credit to seek or create improved housing conditions, and perhaps wasted capital and financial exposure.

State-related resources usable for housing welfare are extremely limited in the modern era. In Bulgaria the state institutions were a major player in housing welfare, but quickly withdrew. In Greece the favourable legal and taxation framework allowing resources from other channels to improve housing welfare are a thing of the past. It is safe to conclude that in both countries housing welfare has nothing to do with the state in terms of financing.

3. What are the types and function of institutional interaction mechanisms in the State-Market-Family triangle, in relation to housing welfare structuring or hindrance?

The specifics of institutional interactions have been thoroughly discussed earlier in 7.2.3. What is important noting is the current state of interaction between the family and market institutions. Due to the financial crisis effects the two poles appear uncoordinated in both countries, with their institutional functioning in terms of *Complementarity* and *Synergy*, remaining problematic in providing housing welfare. Moreover, their *Supplementarity* related to making up for state insufficiency in housing welfare, has severely weakened during the last decade.

4. *What are the key-drivers of the Bulgarian and Greek housing systems and the possible reform paths?*

Housing policy change in Bulgaria will be related to the physical condition of the assets. Significant part of the Legacy Housing Estates is considered structurally dangerous, while almost the total of these assets require extensive repairs and upgrade. Given that access to newer and better housing is still unaffordable to most Bulgarians, this is an issue that will soon call for an official 'answer'. As things go, the channelling of European funds will eventually improve and if handled optimally will lead to nation-wide housing policy schemes.

In Greece it may be driven by strong market shifts, as the housing market is perhaps the sector affected the most by the Greek depression. This not only due to GDP and Household income drop, but also due to inherent systemic problems. Extremely perplexed bureaucratic process still keep the sector from reviving, even though house prices have dropped at least threefold since the crisis. Groups of professionals related to housing, like constructors, notaries and bankers, consider modernization of processes a prerequisite in order to revive the housing market. However, the purchase power of households is not currently adding to this dynamic. The Greek state, is currently dealing with housing as a never-ending resource pool for taxation, disregarding any repercussion or the sustainability of such an approach. The main problem regards the way tax is calculated which does not allow for housing-related expenses deductions.

From such point of view, I think that the Bulgarian housing system has a better chance to develop a structured housing policy, compared to Greece. The condition of the assets is visible and ever-present, while the Greek housing issues are open to debate and therefore open to delays. As analyzed earlier in this chapter the active and dynamic engagement of the Bulgarian housing experts and professionals is *per se* an important driver of change. While it has yet to be utilized by the state, this core of academics and professionals appears persistent, growing, evolving and self-sustaining. It will certainly boost change towards a better direction when time comes and its potential and services are appreciated. In Greece things look grim on that front, as housing as a topic now remains uninteresting to engage with, outside its financial implications.

In all fairness, the Socialist past in Bulgaria can be very much considered a reason for this dynamic in Bulgaria. Previous experience of how things were i.e. state involvement in housing provision is strong factor to pursue improvement. Moreover, international academic and professional interest in post-socialist countries and their systemic functioning has also affected the housing studies in countries relatively under-represented like Bulgaria. This goes hand-to-hand with the openness of the Bulgarian housing experts community. In Greece, the systemic functioning of housing is considered 'decoded' many years now. Therefore interest for new research entrants is limited, also linked to meagre housing research funding. International interest remains limited. This is due to Greece being long-time classified as a 'typical' Southern European case. Thus it is analyzed along with Italy, Spain and Portugal, often being applied attributes not exactly accurate for the Greek case. Moreover, there is only a handful of researchers with a contemporary outward-looking output, which does not help promote discussion on an international level.

Apart from the experts, Bulgarian people interviewed seemed more willing to participate in civic movements and somehow demand improvements on housing policy and conditions. Even though disappointment with the public sector is equally strong in both countries, there is a slightly stronger basis for a bottom-up housing movement in Bulgaria. Greek people seem more set on what they want in terms of housing policy, therefore less willing to enter a wider bargaining process with the state. I expect the housing policy in Bulgaria to move towards schemes of cooperation with the national and international private sector players in construction. This new era will deal with management of the legacy housing estates. It is highly possible for PPI schemes to develop with the scope of mixed use blocks, including social housing of some sort even public rental housing.

In Greece, housing policy will eventually get some form of structured policy, albeit fragmented between different public sectors. The main goals will be safeguarding the primary and single housing asset, while any asset on top will be significantly taxed. Therefore, ownership of any additional assets will be severely commodified. This will radically and permanently change the modes and level of housing welfare. Nevertheless, the protection of the primary and single residence will somehow preserve the sense of 'social homeownership' analyzed in this thesis.

5. Hypothesis A: *Bulgarian and Greek Residential Capitalism types cannot properly fit the current classification - typology*

The VoRC theorization is based on setting ideal-types which renders classification of complex systems rather problematic. In any case, the VoRC conceptual framework remains relevant and under consideration. Major typology issues indeed regard to Bulgarian and Greek housing systems, as subject to strong transformation forces. These typically considered 'Familialist Residential Capitalisms' seem now moving closer to a neo-liberalist amalgam, mixing extreme Capitalist with Statist elements. The former is related to the overall macro-economic condition which certainly affect housing, and especially assets not used as primary residence. The latter regards the marginal safeguarding of a historically empowered 'Social Contract' related to homeownership. This will keep owned assets more or less de-commodified, with access to different kind of housing becoming increasingly commodified as familialist resources weaken (Kalimeri, 2017).

The asset-based welfare debate does not seem to have any practical application in the two countries. There is no realistic expectation of housing assets to serve old-age or any kind of welfare needs. This is mostly related to problematic operation of these housing markets, oversized low-demand housing stocks, inflexible legal frameworks, and slowly-adapting and path-dependent policies. With the exception of secondary housing assets which may be *conditionally*⁹⁷ liquefied at low price to serve primary residence needs, or uncovered emergency health care costs, typical welfare needs remain dominantly irrelevant to housing assets. Most importantly, there is no societal support for a transformation of housing assets to welfare backup. In most cases owned housing assets are not numerous, of lower-than-needed capital value and mostly destined to cover housing needs of younger family members. Forcing the system towards asset-based welfare may have disastrous effects without considering and counterbalancing the after-effects.

⁹⁷ Depending on age, location and physical condition

6. Hypothesis B: *Housing Policy path-dependency an especially influential factor in both countries*

Housing policy path-dependency mostly relates to the institutionalization of homeownership as the only viable tenure. With this concept at the core, any reforms not serving or threatening this status are bound to strong social opposition through institutional inertia and actors' resistance to change. In both countries, the safeguarding of primary residence homeownership still constitutes a sacred keystone of the wider socio-political balance and peace. Therefore, despite any pressure for change governments remain bound to the established tenure status.

Systemic changes will have to respect the key role of homeownership in order to preserve stability and enjoy widespread societal acceptance. Towards this goal it would be better fit to attempt multi-partite agreement where housing reforms are incorporated in wider bargaining between renters, homeowners, landlords, constructors, bankers and policy-makers. This way compromises in other policy sectors may be balanced in terms of housing provisions. The state with its dominant role as a regulator of interests and power-balance will remain key-player in housing policy reforms.

7.4 Concluding and Expanding the Discussion

7.4.1 Homeownership as welfare

As extensively discussed, the asset-based welfare doctrine seems to have very limited application in Bulgaria and Greece, for reasons analyzed in detail within the thesis. Nevertheless the link between homeownership and welfare is evident even though not always direct. Foremost and with no doubt outright homeownership is a very practical and direct hedge against homelessness. Even though in-home poverty cannot be excluded, people in financial hardship are kept off the streets. At the same time, this is very financially convenient for the Bulgarian and Greek state and local authorities as it radically limits the number of people in urgent need of shelter which would otherwise require immediate response and extensive resources.

In welfare systems where health, and elderly and child care are not sufficient in terms of coverage, the home becomes an informal 'shell' where such services are being provided. This is done by family members either with or without the aid of an external professional. In any case, the use of the house allows for lowering such welfare costs, often sheltering informal employment of nurses, babysitters etc., which would otherwise be impossible. According to my research I solidified the opinion that we need to question and answer the sustainability of such an approach.

In both countries outright homeownership is the wobbly pillar of the welfare state. Without it the welfare state would crumble under the weight of dramatically increased welfare needs. This does not only concern homelessness but also a large number of welfare services offered in-house which would otherwise need to be fully offered by the state as people could not spread life costs so as to absorb the increased costs. At the same time homeownership is the cornerstone of household housing welfare and (enclosed) wealth. Outright homeownership had historically identified as a welfare good which should be acquired by everyone at all costs and the soonest possible. The state has the undoubted obligation to stay out of the way by all means, if not to safeguard such status once acquired. In such a manner, 'social homeownership' of the primary residence has always and still is valid for both countries. Any persisting change strong enough to shake this basis - without counterbalance and social bargaining - will severely risk social upheaval on many levels which are pretty hard to predict.

In cases of utter emergency, secondary housing can be sold at lower market prices to make up for welfare needs, and especially health care. As an underlying basis the aforementioned give homeownership its welfare colouring and 'social good' aspect. Outright homeownership presents such aspects in a far more dominant manner compared to mortgaged ownership. Nevertheless, the latter is extensively tied to such traits due to societal aspirations especially regarding the primary residence, and welfare self-provision.

In both countries there is a *de facto* 'trade-off' between high outright homeownership and weak welfare state. The divergence from the theoretical model regards the element of 'choice'. At no point in time was the Bulgarian and Greek society to choose such a path. Instead, the flexible family core along with the construction sector made up for the problematic (BG) or widely lacking (GR) state-led housing provision. Even in Bulgaria

where the state controlled housing production and allocation since mid 1970s, the burden was soon transferred to the people in the form of granted homeownership status. From mid 1980s and on Bulgaria followed a similar path to Greece with family being radically burdened with covering housing needs. It seems that tolerance for a weak state has been 'exchanged' for lax regulations against housing informalities, and favorable taxation. However this was mostly the case for previous decades but still echoes today. Even in such a context where homeownership is heavily established in people's hearts and minds, there is a strong underlying desire for welfare state - even if that means lowering homeownership. And maybe that has been stated with the safety of outright homeownership, but it is still there.

There is big question lingering here. Will Bulgaria and Greek housing systems keep homeownership bound to housing welfare expectations? I truly doubt on the sustainability of such a path for a multitude of reasons which have been analyzed within the thesis. Even if that is the *conscious* or *de facto* choice, this will eventually have to be incorporated in a wider framework. This will be able to consider the extended social and welfare implications. Should for example different scales for primary and secondary residence taxation be established? Should the state mechanisms favour indirect aid to people wanting to improve their housing when their current status is deemed insufficient? Should there be a differentiation of aid according to income? And there is much more to consider on that.

7.4.2 The Role of the Private and Public Rental Sector

Much discussion has concerned homeownership in this thesis and in relevant literature reviewed, while private and public rental sector have been left on the margin. This is not by choice or preference, but a reflection of the tenure structure reality in Bulgaria and Greece. With that being said, I deem important to consider the wider implications of the underdeveloped private rental sector and inexistent social housing in these housing systems. For Bulgaria and Greece homeownership seems to persist as a 'one-way road', excusing all kinds of sacrifices on a personal level in order to achieve or safeguard it. Even tenants and guests are deeply driven by this mentality. Homeownership seems to primarily stand out as an institution, rather than a matter of tenure. It goes without saying that the former cannot easily persist and be reinforced without the latter as time passes. As discussed,

homeownership concerns society-wide mentalities and goals regarding what is 'acceptable', 'sustainable' and 'successful' living. In Bulgaria and Greece high rates reflect long-lasting societal aspirations going back in these countries' historical paths.

During the evolution of the Bulgarian and Greek housing systems, the rental sector became rather unwanted, and certainly linked to feelings of 'incompleteness', 'insecurity' and often 'failure'. In both cases the rental sector has been used as a transitional tenure until accessing homeownership, which had to be as temporary as possible. For the family renting meant the incompetence to provide family member with the necessary resources to 'escape rental slavery' and enter 'homeowning freedom'. This is more or less still the case, despite for example the severe overburdening of homeownership due to taxation. This serves as a grand proof of the persistent effect of deep-seated mentalities and the need for well-thought policy interventions. During the research I became convinced that 'anti-rental' mentality is responsible to a certain degree for systemic inflexibility in Bulgarian and Greek housing. From a *market* operation perspective, the 'unattractiveness' of the rental tenure keeps a large part of the newer stock outside the market waiting for purchase. This became more pronounced during the recent and still ongoing financial crisis affecting internal and external demand. The stock remaining non-available to rent is left unsold for prolonged periods due to stagnated market operation. Newer and better stock is not entering the rental market and therefore no incentive is given to people who may potentially seek to rent these assets. This also limits mobility within the rental sector. Furthermore, lack of newer assets, gives no incentive to landlords improving their assets, which in turn does not help changing attitudes in favour of renting. It would be utopian to think the rental sector can escape its marginal positioning without state intervention. Establishing a system of housing allowances for low incomes, and tax incentives for renters will be required to boost the expansion of the Bulgarian and Greek rental housing sectors. Sufficient and adequate rental stock along with a stable favourable legislative framework will also have significant impact (Papadimitriou, 2017). That being said, with weak wage bases, weakened welfare state provision and lack of sociopolitical momentum, I do not expect this to become something more anytime soon. The only exception regards specifically selected urban neighbourhoods for highly-paid elite mainly from multinationals once macro-economy somehow settles down.

With time, outright homeownership became institutionalized and kept people off the streets, even though their situation may have been otherwise problematic. With such a socio-political and financial 'burden', hard and long-lasting efforts will be required to change this stance. The high levels of investment and taxation that will be required by the state towards creating public rental housing, render it unlikely to be considered anytime soon. With that being said, the need to for some kind of stably running social housing programme will come sooner than later whatever its spread, given that financial trends persist. This is mainly related to poverty levels increase and staying irrelevant to homeownership status.

Outright homeownership is extremely institutionalized in both countries, with an inertia which seems 'unbreakable' for the foreseeable future. This is further enhanced by the lack of incentives to enter or remain in the rental market. I never embraced the idea of socio-cultural - or even "genetic" - predisposition towards homeownership. What is certain is the reaction of people to housing uncertainty as a result of the combined effects of long-lasting precarious employment, lacklustre welfare state and problematic rental sectors. I do however believe in the power of self-reinforcing societal imperatives transferred from generation to generation. Rental sector should be allowed to function as a viable alternative, whatever its size, and not as a secondary market for unwanted, obsolete housing assets, or for an extremely wealthy elite. It is my opinion that the existence of alternatives can reduce the risk of systemic failure during periods of socio-financial stress. The rental sector will need a supportive framework like stable allowances and regulatory protection for both landlords and tenants. Society will not embrace renting if it remains a 'last resort' before homelessness. It should become something more like for example a chance to reallocate expenses.

Social housing in its classic sense is strongly unwanted in both countries and has always related to marginalized social and living conditions. During the Communist times, not having own home in Bulgaria meant not having employment, which was near to impossible with the Socialist Regime central allocation control. Limited public housing was reserved to people outside the system and the sector became heavily stigmatized. In Greece, social housing meant social failure, as the framework provided more or less affordable ways to self-access homeownership until 1980-1990. Even the Workers House Organization which remained outside the official state mechanism as *de facto* semi-private entity, since early

post-1950 focused its efforts in providing direct access to homeownership. Admittedly, changing widespread and historically reinforced societal mentalities takes effort, time and initiative from all civil parties in a continuous social bargaining. The state will have to assume its expected role and responsibility in a consistent and effective manner.

7.4.3 Housing Policy and Outcomes: on the verge of a new era?

What is beyond doubt is the need for a consistent, coherent and focused housing policy in both countries. This will be sooner or later *forced* by rapid changes in the housing system, and the need to respond to modern challenges. In Bulgaria this is mostly related to the physical standing of the Legacy housing estates, while in Greece to the financial overburden of Homeowners. The issue is not so much whether such housing policy is centralized or dispersed to various institutions, ministries, local authorities etc., but the decision to put forward an active and pro-active policy. The schemes forming such wider policy will have to be forward-looking but also taking into account the historical evolution the Bulgaria and Greek housing system. There is a great need to leave behind *laissez-faire* mentalities, and search for a dynamic approach. Citizens along with NGOs and the official state have to seriously *discuss* and *decide* on the *direction*, *capacity* and *ways* of systemic evolution. The Bulgarian and Greek housing system require deep structural reforms so as to allow flexibility and adaptability. According to my research I am convinced that any reform scheme disregarding homeownership as key-element of citizenship is bound to have no significant impact. And here lies the perhaps biggest challenge policy-wise i.e. the implementation of various programmes. Making things happen will certainly require a bottom-up communication and acceptance.

Unlike other socio-political areas, I found that Bulgarian people expect the state to intervene and improve their housing conditions. This is certainly related to echoes of the Socialist era, further maintained and boosted by lack of viable housing alternatives. The required intervention revolves around homeownership status than anything else, while ensuring people have full control over their housing conditions. In Greece state interference in housing matters is strongly unwanted overall. This due to a historically dominant 'non-interference' of the state in housing acquisition in terms of direct provision or financing. Moreover, the market pole - mainly constructors - along with the family network have

proven to be flexible and effective in covering housing needs, since before the financial crisis. In best cases, the state is expected to stop interfering with the family-market dipole so it can resume its operation halted by the crisis and the governments failing to tackle with its effects on housing.

Housing policy is not confined to social housing. It is often implied that lack of social housing and relevant policies signifies lack of housing policy. I disagree with this stance, which admittedly has slowly started to weaken. This perception has more or less been an 'alibi' for meagre political initiative to form and support a structured housing policy. As an 'oxymoron' homeownership has historically been used to serve political party convenience, especially during pre-electoral campaigns.

In terms of *housing outcomes* issues, Bulgaria and Greece present strong differentiation. The former struggles with the Legacy housing stock physical condition, while the latter has to deal with strong forces of commodification and financial overburden of housing. What is common in both countries though is the severe problem of accessing newer and better housing. In these countries where incomes are low and drop, the discussion cannot be solely based on vague affordability terms. Every asset will be affordable to someone. The main issue is how much housing exists for the specific income reality, and of what quality.

In Bulgaria the large number of problematic stock will require radical housing policy interventions⁹⁸. This will most probably include the promotion of new housing construction. Whether the homeownership pattern will be followed is a crucial question putting the housing system at a cross-road. As things are, there is little evidence to support the widespread allocation of outright homeownership like what happened during socialism. The Bulgarian state does not seem to have any momentum of the kind, while the family network is financially weak to undertake such a heavy burden. Moreover, the banking sector appears hesitant - if not contrary - to return back to risky patterns of the pre-GFC era. Simply put there is a lack of proper structures. A calculated estimation is the promotion of a new housing construction era with mixed-used building blocks, and extended mortgaging. The state will ensure the 'safety net' along the lines of a watered down housing intervention flirting socialist ideology from a very safe and far distance.

⁹⁸ As an indication of urgency, just recently the Government of Bulgaria asked the aid of the World Bank with the new National Housing Strategy (The World Bank, 2017)

In Greece now, it is pretty safe to assume that homeownership will keep down towards its pre-commodification path. It is fairly unlikely for the financially challenged Greek state to support homeownership either directly or indirectly. Primary residence will be *somehow* protected against foreclosure, which along familialist resources and inheritance will not become fully commodified in the foreseeable future. Mortgage lending will recover at some point but it is unlikely to reach liberal extremes mainly due to stricter lending framework within a precarious employment environment.

7.5 Future research paths and suggestions

Despite diligent efforts, the reader may discern some spots or theory 'vagueness', which is due to a number of reasons. Most of them relate to issues and limitations analyzed in the Research Methodology chapter. As already discussed in Chapter 4, qualitative research (interviews conducted) had no scope of representativeness. Despite dominant patterns emerging during these interviews, generalization of results to whole nations remains debateable. In order to verify such patterns or discover new ones, future research would certainly help. This may expand on more cities and examined themes. Qualitative in-depth interviews can hardly reach sampling numbers equal to survey or quantitative research methods.

In my opinion two points need thorough consideration for further research in the future. First, the revisiting of these housing systems in the 'post-crisis' era where the catalytic forces may have settled or at least shown a clearer path. This time may vary for Bulgaria and Greece. Admittedly at the time this thesis is being written, Greece seems to have a longer way to exit its systemic and financial hardship. Bulgarian can be even claimed being off the crisis spiral. So, let me rephrase 'post-crisis' to 'post-transformation'. Both countries are subject to severe transformation forces, affecting not only their housing systems but the overall structure and functioning of the society and the state as a whole. Predicting their evolution - or devolution - is often based on assumptions and possible 'scenarios'. Therefore, it will be necessary to revisit discussed themes when some new 'normalized phase' will seem to have been established. Secondly, the extension of qualitative research in these countries and also within their vicinity. It would be extremely useful to examine Bulgaria along with Romania and Greece along Italy, in similar manner. Relative to this, is

the need to gather some significant volume of quantitative and qualitative data on housing familialism, and more precisely its *modes, level, mechanisms* and *underlying incentives*. From my research I could only conclude that it is the collateral result of the wider familialism trying to make up of state and market insufficiencies in every welfare field, rather than something specifically linked to housing.

Mostly drawing from the second half of the thesis, I find it necessary to focus on specific pronounced themes of suggested systemic change intervention. What is presented in Table 7.2 functions also as a 'map' for further indicated research. 'Greyed' squares signify the institutional pillars involved in the respective intervention, while dots mark their varying weight. Filled and void dots mark primary and secondary significance respectively. Lastly, the suggested approach is shown on the right, ranging from almost purely quantitative to qualitative perspective. This relates to the suggested corresponding academic and/or professional approach of the relevant intervention. Some of the points made in this table are more generic than others, especially when moving towards qualitative-heavy themes. With no doubt the need to break them down into examinable themes is imperative. However, the final assessment should be focused on the wider picture.

Starting from more 'easily' quantifiable matters, it is necessary to have an as precise as possible account of which housing units are in a state of urgent need for repairs, retrofitting and physical intervention of any kind. This does not only refer to the exact number of such units, but also to the exact nature of such repairs. Even though this may seem more relevant to Bulgaria due to the physical quality issues of the Legacy housing estates, it is actually necessary to both countries. Such a process may seem daunting and indeed require time and resources, but is nevertheless necessary. It can give an accurate estimation of the stock in need of specific tailor-cut approaches. During this process housing units now rendered obsolete, or beyond repair can also be identified. Towards this goal the technical knowledge of the construction sector and the professional and academic input of non-governmental bodies can ensure success and impartiality. This can also work as stepping stone for approaching the actual market-real wealth enclosed in owned housing assets.

		State	Fin. Inst.	Constr. Sector	Civil Society		
Systemic Intervention Suggestions	Document exact volume and condition of housing in repair urgency			●	○	Quantitative	Approach
	Incentivize vacant housing disposal to the rental market	●					
	Detect and manage non-usable and non-repairable housing assets			●	○		
	Evaluate Market-real Housing-enclosed wealth		○	●			
	Incentivize rational FDI attraction in the housing Market	●					
	Rationalize primary residence taxation	●					
	Protect sole residence from foreclosure	●	○				
	Benchmark housing performance against modern international standards	○			●	Quant. - Qual.	
	Benchmark housing performance compared to modern national needs			○	●		
	Support the rental sector as an affordable and viable alternative	●					
	Promote upgrade/retrofitting of buildings as a viable alternative for growth		○	●			
	Create adequate Social housing to counter-balance imminent homelessness	●		○			
	Accurately assess 2nd residences viability as permanent or back-up homes				●	Qual. - Quant.	
	Counter Housing Welfare Familialism polarization	●			○		
	Support continuous academic and professional interest in Housing improvement	○			●		
	Focus on the implications of the investment aspects of Housing		●	○			
	Bolster an equal institutional representation of tenants and homeowners	●			○	Qualitative	
	Weaken the Homeownership - (good) Citizenship link				●		
	Integrate Rental sector as non-marginalized housing choice			○	●		
	Disengage Housing from electoral leverage	○			●		
<i>State</i> includes central and local authorities, public bodies and quasi-public financial institutions; <i>Financial Institutions</i> include any kind of private body financing housing directly or indirectly; <i>Construction Sector</i> includes anyone even remotely related to the construction of Housing; <i>Civil Society</i> includes Housing-related academics & professionals, NGOs & non-public bodies, and the wider family network.							

Table 7.2 - Areas of Suggested Intervention and Research (source: author)

As discussed, the evaluation of the true value of owned housing assets is currently problematic, inaccurate and based on extremely rough estimations (Koukakis, 2016; Brunwasser, 2006). Having a clear picture on the households' wealth enclosed in housing is necessary both for fair taxation reasons, and assessment of asset-based self-funded welfare dynamics. It is also an important element to go into more detail about the welfare aspect of homeownership, especially when compared to other countries. In Greece, the long overdue cadastre (Taylor & Papadimas, 2015) would greatly contribute to this. Adding the value of owned assets, may give a completely different picture on the provision of welfare in countries which have been historically tagged as 'underdeveloped' in terms of welfare state coverage. For this, financial institutions will play an important role to the construction sector estimations, mainly through the real estate sector professionals.

Vacant assets kept outside the market are serious issue in both countries. This regards either older and under-maintained housing which was left unoccupied during the crisis years, or newly built stock becoming victim of radical drop in purchase demand. Financial projections are not optimistic on seeing incomes significantly rising anytime soon so as to refuel a thriving internal purchase market. This means that some part of the former will be left under-maintained and unwanted, eventually becoming unusable. At the same time, the latter will mostly remain unaffordable to lower-income social classes for which should be also destined, and perhaps start losing market value. Currently there are no notable incentives to repair and enter the rental market for the former, especially given the financial hardship of most landlords. Establishing a land bank (Kanellis, 2013) could provide solutions to 'unmarketable' stock issue through the exchange of building rights freeing up larger land plots and allowing for development of greater scale. Existing, newly-built stock is kept 'on hold' for better days waiting for the potential buyer. It would be notably useful for the larger part of this stock to enter the private rental market, thus boosting it and perhaps offering better options to those not able to purchase. The revenue raised will eventually have accumulating gains for the housing market and the overall economy. Given the strong 'anti-rental' mentality in Bulgaria and Greece, such major turn cannot happen without taxation incentives and regulatory framework set by the state. Financial institutions will also have a role, especially regarding financing the upgrade of older stock, and offering incentives to landlords-constructors under mortgage debt when renting owned assets.

Attracting foreign direct investment can breathe life to the stall housing market if done properly and under set framework with the public benefit at its centre. Despite the residual 'colouring' of Socialist practices (Giannangeli, 2013), Bulgaria is admittedly making stronger efforts to attract and keep investors (Brunwasser, 2007) especially regarding housing in vacation destinations (Gregor, 2014), targeting buyers from western and northern European countries. However, FDI can offer larger opportunities for developments which can include large numbers of housing units. That being said, such investments will be part of wider projects and require bargaining on adequately elaborate scales. Planning agreements including construction of housing units in mixed-use buildings is just one option where FDI can be useful to promote the housing agenda. Establishing a land bank could be a useful tool towards systemic evolution and tackling with complexities.

Regarding homeownership and its persisting significance as 'social good', it is imperative to set a stable taxation framework considering the effects of tax burden affecting primary residence. Proper tax imposed will have to take a number of factors into account like the true market value of the asset, its condition and age, whether it is the sole owned house, the overall property wealth of the owner, social vulnerabilities of the owner and size of the household. Following this rationale, primary and sole residence under mortgage loan or subject to foreclosure procedure may have to enjoy statutory protection, given the fact of almost inexistent public housing and anti-homelessness systems in both Bulgaria and Greece. In the latter pressures for the modernization and expansion the foreclosure mechanism is becoming increasingly stronger (Tzortzi, 2017), slowly expanding to include primary residence (Sourelis, 2017), even though still meeting strong resistance by professional groups like notaries and civil protest.

Moving on to quantitative issues in need of additional qualitative input, housing performance will have to be benchmarked against international - mainly European - and national standards. Eurostat offers data on dwelling size, age etc. But needs further input to render an international comparison more scientifically robust. The qualitative input can show how different societies perceive and experience housing by living in the compared units. It is very likely and expected to find difference between housing experiences in similar housing from one country to another. On a national level, it is necessary to examine the ways housing is being experienced in terms of modern needs. This is especially relevant considering the age of the stock occupied in both countries, and Bulgaria mostly. With the

civil society leading the way, the state will have a saying in the interaction on a EU level, while the national construction sector can contribute more in setting national 'standards'.

Regardless of how dominant homeownership inertia is the rental sector will have to be widened and improved in both countries. In order to do that, landlords will have to be incentivized to dispose their assets in the rental market in a proper manner. At the same time, civil society will have a role in changing societal perceptions away from the marginalization of the rental sector. The growth of the rental sector will eventually improve its affordability through competition and more available options in the market. The state will have to ensure stable and favourable legislative framework in order to support the establishment of a viable rental sector. Bulgaria is inclined to a pro-landlord framework, while Greece is closer to a neutral standing⁹⁹.

As qualitative aspects enter the discussion more dedicated interventions and mentalities are required to achieve systemic shift. This is mainly due to the fact that such aspects are often hard to support by 'hard evidence' and therefore open to debate. While based on 'numbers' the shift of the construction industry towards reuse and recycle of the existing stock, certainly has some qualitative elements. In Bulgaria and Greece the thriving of the construction industry and the overall economy has been significantly based on development of new units. The recent and ongoing financial crisis put this norm into test. Nevertheless, construction sector revival is still regarded closely related to a new development boom which seems rather unlikely to happen in the near future. Through the retrofitting and overall optimization of use in the existing housing stock there can be room to develop some kind of social housing. Radical changes in the financial status of the two countries and the shift away from homeownership state protectionism, is deemed to imply imminent homelessness for those most financial and social exposed. Some of the vacant stock, especially those units underused or in areas of low demand can be utilized to provide shelter under the management of public bodies. However, the contribution of all institutional pillars will be required towards such an important change. This is reflected in recent discussion raised in Bulgaria regarding social housing Fund with the joint contribution of shareholders from all institutional pillars¹⁰⁰. In Greece there is some vague

⁹⁹ <http://www.globalpropertyguide.com/Europe/landlord-tenant-law> [Accessed 17 March 2017]

¹⁰⁰ <http://www.novinite.com/articles/158908/Bulgaria+Mulls+Setting+Up+Social+Housing+Fund> [Accessed 18 March 2017]

discussion regarding the scheme which could replace the former Workers Home Organization (Goudis, 2014), but something more concrete has yet to be achieved.

Further towards the bottom of Table 7.2, housing welfare should be kept away from polarization around the family. It is rational to assume that family contribution will keep its central role for many years to come, but a more balanced way needs to be supported. For this, the state will need to improve welfare provision in other sectors and also offer the chance to cover housing needs by e.g. countering precarious employment conditions and supporting the proper operation of the mortgage market. The civil society will have to pressure towards this direction while at the same time changing societal mentalities on the 'omnipotent' family and its capacity to properly cover housing needs of every member. The aforementioned can be significantly aided by continuous support of the academic and professional interest in housing systems and their improvement. This way housing will gradually be understood as a matter worthy of attention *per se* and not as something collateral to 'more important' policies. In Bulgaria the situation regarding the dynamic of the academic and professional sector dedicated to housing issues is far better compared to Greece. However, in both countries housing is something raising interest only in cases of extreme emergency and served by reactive and usually poorly planned interventions. Research resources will have to be channelled towards housing research which will be boosted by the civil society.

Understanding the *investment* aspect of housing is crucial in both Bulgaria and Greece. Long-lasting entanglement with homeownership and its ties with housing welfare and citizenship have significantly neglected its investment and overall financial implications. As concluded according to this research, the vast majority of homeowners does not consider the financial repercussions tied to ownership of a housing asset. Interesting enough, this does not only regard outright homeowners but also those under mortgage loan. The sentimental ties with the owned house and its overarching identity as the family hearth, overshadows financial aspects, often completely. Admittedly, the financial crisis has brought the discussion of household budgets being overburdened due to housing costs, especially in Greece (Kollias, 2015). Nevertheless, no significant mentality change can be supported. As general rule people in both countries rarely weigh the financial benefits and disadvantages of the homeownership status, and of the specific assets owned. Even when considered, profit and loss is interpreted in terms of psychological gain, and often distorted.

This is one of the key reasons why the rental sector has been historically left unwanted and marginalized. The disregard of financial repercussions even extend to secondary houses, most of which are kept underused for seasonal-vacation occupancy. And while doing the math may give a positive result for primary residences considering all factors, for secondary home things look grimmer due to occasional use. The latter have slowly started to overburden households with maintenance costs and taxation. Therefore is necessary to assess their capacity as permanent homes. This will give a clear picture on their perspective as income source i.e. through renting, and/or inheritance asset to cover younger or older members housing needs. For primary residences a rational approach would be to compare in terms of imputed rent, however practically daunting and challenging it may seem especially related to deductible costs (Bartlett, 2013). The lower half of the penultimate section on Table 7.2 needs a delicate approach, as to even discuss such mentality matters with the public numbers alone will not suffice - however 'self-explanatory' they may seem.

On the almost purely qualitative approach section of Table 7.2, there is a need for tenants and homeowners interests to be represented in policy-making. 'Lobbying' is extremely weak in both countries for reasons related to social cohesion, trust in state-related institutions, and weak support for NGO action. However, participation in movements regarding improvement of housing conditions is imperative at this stage, and I cannot see any possible breakthrough in such matters without it. Participation has to be kept outside political party influence and electoral leverage. It is often the case that during pre-electoral campaigns candidates make housing-related promises to cash-in on the societal significance of homeownership in Bulgaria and Greece. Housing has always been a tool for political leverage, however indirect. The belief for one party to support homeownership by for example not dealing with irregularities or providing favourable framework, was an underlying but potent booster. For these patterns to change, strong pressure from the civil society will be required. Lastly, the de-marginalization of the rental sector has notable qualitative elements and will take time. The disengagement of citizenship from homeownership is absolutely necessary for this to happen. As analyzed before, the informal link between good and successful citizenship and homeownership is persistent and strong.

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