

Domestic property and social class

by Peter Saunders

Cet exposé traite de l'importance des conséquences des différents modes d'occupation de logement, en ce qui concerne les rapports de classes. L'accent est mis précisément sur la Grande Bretagne où, environ 40% des ouvriers manuels possèdent maintenant leur propre maison, et où l'extension de l'occupation de l'habitation par le propriétaire a nettement contribué à accroître les divisions sociales et politiques, au sein de la classe ouvrière. La question qui se pose, est de savoir si de telles divisions ont une base matérielle réelle, ou si elles sont principalement idéologiques. On voit que la réponse à cette question aura d'importantes conséquences pour l'organisation de luttes politiques autour de la question du logement.

L'exposé débute par une discussion des perspectives wébériennes et marxistes en matière d'occupation de logement et de rapports de classes. La perspective wébérienne, liée aux travaux de Rex et de Moore sur 'le logement par classes', est rejetée, quoique la possibilité de reformuler le concept du logement par classes, au sein d'une orientation wébérienne, soit mise en évidence. Le point de vue marxiste, qui rejette la possession du logement comme étant étrangère à l'identification des intérêts de classe, est également rejeté, sous prétexte que l'occupation de l'habitation par le propriétaire est un facteur crucial d'une augmentation réelles des richesses individuelles qui peuvent largement dépasser les économies que l'on peut faire sur les salaires de toute une vie. L'exposé montre ensuite, comment la possession de sa maison va dans le sens d'une accumulation des richesses, et comment ceci crée une réelle division d'intérêt économique entre les propriétaires en jouissance et les locataires, fait qui se manifeste souvent dans les luttes politiques locales. La conclusion qui se dégage de ceci est que, les efforts des activistes locaux pour unifier les deux groupes en une alliance politique contre le capital monopole, peut s'avérer à la fois peu judicieux et nuisible à la productivité.

I Domestic property and social class¹

In Britain today, over half of all households own the dwelling in which they live. Despite the problems of access to mortgage funds, the steady increase in owner-occupation has extended house ownership to substantial sections of the manual working class with the result that around 40% of manual workers now own their own accommodation. This trend towards increasing owner-occupation among a fairly broad section of the population has generally been welcomed by liberals and conservatives alike as a significant development in the evolution of a property-owning democracy. As a 1971 Conservative government White Paper put it, 'It satisfies a

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deep and natural desire on the part of the householder to have independent control of the home that shelters him and his family' (quoted by Cullingworth, 1972, 57). Radicals, on the other hand, have frequently argued that increasing domestic property ownership among the working class has served only to obscure the fundamental lines of cleavage in the class struggle, to fragment working-class collectivism, and to aid 'the ideological integration of the working class in the dominant ideology' (Castells, 1975, 185). From this perspective, the growth of owner-occupation is seen as largely irrelevant as regards the character of capitalist property relations, but as highly significant politically, in maintaining capitalist hegemony, and ideologically, in reinforcing its legitimacy.

My aim in this paper is to examine the material and political significance of domestic property ownership for class relations with explicit reference to Britain. My argument is basically that owner-occupation provides access to a highly significant accumulative form of property ownership which generates specific economic interests which differ both from those of the owners of capital and from those of non-owners. In other words, I reject both the conservative argument that the spread of owner-occupation constitutes a diffusion of capitalist property rights, and the radical argument that it has resulted in a strengthening of 'false consciousness' among the proletariat (see Fletcher, 1976, 464). My position is rather that domestic property ownership is the basis for the formation of a distinct political force. In order to develop this argument, it is necessary to consider the way in which house ownership has generally been conceptualized, and its relationship to the class structure determined, in Weberian and marxist theories of class stratification.

II The Weberian perspective

For Weber, classes arose out of inequalities of economic power in commodity and labour markets (Gerth and Mills, 1948, 181). Although he followed Marx in identifying classes as objectively-constituted social formations with an economic base, he differed from Marx in arguing that classes could arise in any market situation, and not merely in the antagonistic relation between wage labour and capital. Thus he drew the distinction between property classes, whose members share common class situations by virtue of their command over those forms of property which could realize income in the market, and acquisition classes, identified in terms of the degree of marketable skills enjoyed by different members of the population. As Giddens (1971) has noted, Weber's conception of class is a highly pluralistic one since it leads logically to the conclusion that there are as many classes as there are gradations in market power. However, Weber sought to overcome this problem in two ways; first, by identifying three principal strata within both property and acquisition classes (i.e. positively privileged, negatively privileged and intermediate strata), and secondly, by introducing the concept of 'social classes' to refer to the plurality of

different class positions between which an interchange of individuals is readily possible. It would seem to follow from this that Weber seeks to identify as the basic classes in capitalist societies an upper class of highly-educated property-owners, a lower class consisting of those with little or no property or marketable skills, and a middle class consisting of the petty bourgeoisie and the propertyless intelligentsia.

Weber's emphasis on the distribution of life chances in the market as the criterion of class membership was taken up by Rex and Moore (1967) in their study of the housing market in an inner-city area of Birmingham. They argued that competition over scarce and widely-desired types of housing could be analysed in terms of a struggle between different property or housing classes, each commanding a different degree of power in the housing market. Thus: 'We follow Max Weber who saw that class struggle was apt to emerge wherever people in a market situation enjoyed differential access to property, and that such class struggles may therefore arise not merely around the use of the means of industrial production, but around the control of domestic property' (Rex and Moore, 1967, 273-4). While recognizing that power in the housing market was itself in large part a reflection of power in the labour market (since income and security of employment are key factors in determining access to credit for house purchase), they nevertheless argued that it was possible to occupy one class situation in relation to the process of production, and another with relation to the distribution of domestic property. Put another way, an individual's acquisition class membership did not necessarily correspond with his property class membership.

One immediate problem confronting this attempt to apply a Weberian perspective to the housing market was that it was by no means clear how many housing classes should be distinguished. As I have already noted, an emphasis on market situation can lead to the identification of an infinite number of classes, and this problem is reflected in Rex and Moore's work where they variously identify five (Rex and Moore, 1967, 36), six (274) and seven (Rex, 1968, 215) housing classes. Nor is it at all clear why the analysis should have stopped at seven; Moore (1977, 106) has recently argued that at least two more classes should be added, and even this fails to include groups such as absentee landlords or any other suppliers of housing. However, the hierarchy of housing classes which they did identify covered a range from the outright owners of whole houses in desirable areas at the top to lodging house tenants in single rooms at the bottom, each class being distinguished from those above and below it according to its power to achieve access to scarce and desired housing resources. Two criteria were isolated as governing such access. The first was size and security of income which was crucial in determining access to mortgage funds, while the second was the ability to satisfy local authority need and residence qualifications as a prerequisite for gaining access to the public rented sector. Those groups, such as relatively poor immigrants, who enjoyed neither high incomes nor could fulfil local authority requirements, were therefore obliged to seek shelter in the declining private rented sector located mainly in the inner-city zone of

transition. There they found themselves in conflict, not only with a class of landlords, but also with other householders who sought to restrict the growth of the inner-city private rented sector.

Three main criticisms have been advanced against Rex and Moore's analysis of housing class conflict. The first, raised by Haddon (1970), is that it confuses a conceptual definition of housing classes based on potential power in the system of housing allocation with the empirical identification of housing classes based on current tenurial status. As Haddon observes, 'They equate this typology of housing with "housing classes" assuming that, analytically at least, people who are at the present moment in the same type of housing accommodation constitute a housing class' (1970, 128). The problem here is obvious; it does not follow that those who at any one time share a common pattern of tenure also share a common capacity to gain access to a more favoured type, either now or in the future. As Gans (1968) has shown, residents in an inner-city area will include those who have no choice but to live there, those who have deliberately opted to live there, and those who, in time, will move out and 'up' the housing ladder when they have accumulated sufficient funds for a deposit or points for a council house. It follows from this that, 'The emphasis of the analysis ought to be on the means and criteria of access to desirable housing, and the ability of different people to negotiate the rules of eligibility' (Haddon, 1970, 129), rather than on current housing tenure.

This criticism appears damaging, for Weber clearly saw class as referring to the potential power of any group in a market situation. However, it does seem necessary here to distinguish between current and future market potential. The fact that those occupying a given form of tenure may have the future potential to improve their housing class situation need not invalidate an analysis based on current tenure, for this only indicates the possibility of social mobility within the housing class system over time. In other words, Haddon's criticism is only pertinent with regard to those, such as inner-city intellectuals, who currently enjoy the power to gain access to a more favoured form of tenure, but who do not choose to do so. But even their existence need not invalidate a housing class model, any more than the existence of graduate dustmen invalidates a model of class based on the labour market. In both cases the numbers involved are small, and although any analysis must clearly take them into account, this does not mean that theories of class stratification must be reconstituted around them. For most people, therefore, current housing tenure and current power in the housing market coincide sufficiently to justify Rex and Moore's identification of housing classes in terms of tenurial status.

The existence of certain groups who elect to live in less favoured forms of housing does, however, raise a second and more pertinent criticism of Rex and Moore's work, for it casts doubt on their assumption of a unitary value system regarding the relative desirability of different patterns of tenure. Central to their analysis of housing class conflict is their assertion that competition takes place over the distribution of scarce and desired forms of housing in the city, and their equation of desirable forms with

owner-occupation and council tenancy. The problem, however, is that various empirical studies (Davies and Taylor, 1970; Lambert and Filkin, 1971; Couper and Brindley, 1975) have shown that different groups may have different values regarding the desirability of different types of housing situation, and that the central process of competition identified by Rex and Moore may therefore not occur at all.

Two points need to be made about this line of criticism. The first is that, as Couper and Brindley themselves recognize, 'Preferences depend on people's knowledge about available alternatives and their perception of what is possible for themselves, both now and in the future, as well as on their basic values and ideologies' (1975, 567). In other words, what people say they prefer is by no means an accurate indication of what their values are. However, since Rex (1971) has himself agreed that multiple value systems do exist, we need not labour this point. Secondly, and more importantly, it is apparent that research into subjective values and preferences cannot invalidate a theory of class relations in which classes are identified objectively. Thus, if housing classes are defined in terms of the objective material situation of different tenure groups, then data on subjective values are relevant only at the level of class ideologies. There is, after all, no reason to assume that those sharing a common class situation should also share a common class imagery or common values. The problem with Rex and Moore's work is that, although they identified housing classes objectively, they situated their analysis in the process of competition (which necessarily implies shared goals and values) rather than conflict (which can be identified objectively without reference to individual perceptions). There can, in other words, be an objective conflict of class interests without there being any competition between classes.

Rex and Moore's focus on values, preferences and competition (as opposed to ideologies, objective interests and conflict) leads us to consider the third and most significant criticism of their work; that it is not in fact a class analysis at all. Haddon (1970), for example, argues that Rex and Moore have misinterpreted Weber, and that what they identify as 'housing classes' are better understood as housing status groups. Weber, of course, distinguished classes and status groups as two separate phenomena of the distribution of power, and although he recognized that the attribution of status often reflected class inequalities, he also stressed that analytically they were distinct. Unlike classes, status groups form around the distribution of prestige or social honour, and are subjectively recognized by members and non-members alike. As Weber summarizes the differences between them, 'Classes are stratified according to their relations to the production and acquisition of goods; whereas status groups are stratified according to the principles of their consumption of goods as represented by special styles of life' (Gerth and Mills, 1948, 193). It follows that the concept of class is used by Weber to refer to the power to realize income through the disposal of property or skills in the market. According to Haddon, housing cannot therefore provide the basis for class formations since it is an element of consumption, which Weber clearly locates in his definition of status

groups. The housing to which an individual achieves access reflects rather than constitutes his class situation—‘Use of housing is an index of achieved life chances, not primarily a cause’ (Haddon, 1970, 132). It therefore follows that when one tenure group mobilizes in political action against another (e.g. as in Birmingham where residents exerted pressure to restrict the zone of lodging houses, or—more dramatically—in the Oxford housing estate studied by Collison, 1963, where a wall was erected to separate owner-occupiers from council tenants), it does so on the basis of status differences which may obscure or cross-cut underlying class similarities.

Haddon draws a useful distinction between the housing market and the domestic property market. The housing market gives rise to different patterns of consumption, and hence to status differences between different groups of consumers, whereas it is the domestic property market which gives rise to class divisions (in the Weberian sense) since it is through the sale of land and developments that different groups can be seen as positively or negatively privileged in their ability to realize disposable income. From this perspective, housing classes, as opposed to housing status groups, consist of those (e.g. landowners and developers) who can generate returns through the sale of domestic property resources, as against those (e.g. tenants and owner-occupiers) who are obliged to enter the market in order to achieve access to accommodation.

Haddon’s analysis constitutes a convincing refutation of the Rex and Moore thesis. However, it does raise two problems which may lead us to retain the concept of class in the analysis of the housing market while rejecting Rex and Moore’s specific use of the concept. The first of these problems is that Weber identified property classes in terms of the ownership of property which is usable (though not necessarily used) for returns (see Gerth and Mills, 1948, 182). Haddon’s argument, on the other hand, focuses on actual use rather than usability. For example, for Haddon, the owner of a house who extracts rent by letting out rooms is in a different class situation to the owner of an equivalent house who remains a sole occupier since the former realizes returns while the latter does not. For Weber, however, they are in a common class situation since they both own property which is potentially usable for returns. It follows, therefore, that tenure must remain a key element in the identification of housing classes, for the simple division between consumers and suppliers fails to take account of potential usability.

The second problem is that Haddon’s position rests on the assumption that housing is an element of consumption which cannot be used to generate real income. This is a question which I shall examine in more detail below, but here it need only be noted that if house ownership can be shown to provide access to a source of real accumulation, then from a Weberian perspective, owner-occupation must be recognized as a basis for the formation of property classes, and political action on the part of home-owners (even against other consumers of housing) cannot be explained in terms of mere status identification.

III The marxist perspective

From the perspective of orthodox marxist political economy, patterns of housing tenure are irrelevant to the determination of objective class relations. Class relations in the 'pure' capitalist mode of production correspond to the objective relationship, established through the process of production, between wage labour and capital: 'The relation is realized only in the act of production itself, where capital really consumes the alien labour' (Marx, edn 1973, 307). The mere fact of ownership or non-ownership of property does not itself give rise to class relations since there is no inherent contradiction in this alone (see Marx, edn 1964, 132). Rather, classes arise out of the expropriation of the surplus value of labour power at the point of production, and Marx is insistent that, when the worker enters into exchange relationships with other sections of the capitalist class (such as landlords) in order to purchase the commodities which are necessary for his own existence and reproduction, this does not constitute a class relation since no additional surplus value is extracted (e.g. Marx, edn 1969, 61). It is the unique character of labour power as a commodity which produces value which makes the exchange of labour power for wages the sole exchange to produce classes and class antagonisms. Engels (edn 1969) leaves us in no doubt on this: discussing the Proudhonist approach to the housing question, he writes, 'The tenant, even if he is a worker, appears as a man with money; he must already have sold his commodity, a commodity peculiarly his own, his labour power, to be able to appear with the proceeds as the buyer of the use of a dwelling. . . . No matter how much the landlord may overreach the tenant, it is still only a transfer of already existing previously produced value' (Engels, edn 1969, 307-8).

In more recent marxist analyses, however, this conclusion has been the subject of some disagreement. On the one hand are those who basically endorse Engels's argument. Castells, for example, sees the relationship between the suppliers and consumers of housing, as, 'a relation between supply and demand, and therefore a market situation, not a relation of production. Indeed, we know that any assimilation of the tenant—landlord relation to the worker—capitalist relation is meaningless' (Castells, 1977, 146). Thus, while Castells recognizes that conflicts over housing issues may be significant in bringing together classes, such as the proletariat and the petty bourgeoisie, in a broad anti-monopoly-capital alliance (pp. 432-3), he refutes the idea that they themselves constitute a basis for class formations. Against this argument, others have suggested that class conflict is a generalized phenomenon which cannot be limited to the contradictions generated through the process of production. Clarke and Ginsburg, for example, suggest that relationships to housing themselves constitute one aspect of the broader class struggle: 'The immediate struggle between tenant and landlord over an item of consumption cannot be divorced from other conflicts in society, and particularly the dominant struggle between capitalist and worker. Just as in a particular wages struggle a worker is engaged with a specific capital, so in a housing struggle the worker is

engaged as a specific type of working-class tenant confronting a specific capital. . . . The housing struggle analysed objectively is a struggle between capital and labour over the provision of housing' (Clarke and Ginsburg, 1975, 4).

Where both sets of writers agree, however, is in their argument that, irrespective of whether housing conflicts can be seen as class conflicts, tenurial divisions cannot provide any real basis for class formations. The concept of housing classes is thus rejected, the only significant conflict over housing being that between those who supply it and those (including both tenants and owner-occupiers) who consume it. In this sense, the argument has much in common with the conclusions reached by Haddon in his critique of Rex and Moore, and it is neatly summarized by the slogan which appears on the back cover of a recent Community Development Project report: 'I rent, you buy, we lose, they profit' (CDP, 1976). It is, of course, but a short step from here to an analysis of owner-occupation as an ideology which serves to fragment the working class—an argument which runs as a common thread through much of the literature. The CDP report, for example, sees owner-occupation as divisive, Fletcher (1976) argues that it has contributed to false consciousness, and both Castells (1977, 161) and Clarke and Ginsburg (1975, 25) suggest that the encouragement of home ownership by the state can be explained in terms of a desire by the ruling class to undermine working class solidarity. Owner-occupation, therefore, is seen as one means whereby the capitalist class has successfully divided the mass of the people ideologically, thereby consolidating its hegemony.

Clearly, such arguments have some validity. It is the case, for example, that the interests of owner-occupiers are often inconsistent with those of the various fractions of capital (e.g. over interest rates, land prices, the provision of urban amenities and so on). It is also the case that the ownership of domestic property is often associated with political conservatism, individualism and parochialism, even though the ownership of housing cannot in any way be equated with the ownership of capital (i.e. house owners may identify with the interests of the capitalist class although they do not share those interests). However, where these arguments can be questioned is in the assumption that because owner-occupiers do not share the interests of capital, they must therefore share interests in common with other consumers of housing who own no domestic property at all. There is no room in this analysis for the identification of an intermediate category.

This problem of owner-occupiers as an intermediate category can be illustrated with reference to Engels's attack on Emil Sax and his 'bourgeois' approach to the housing question. Sax had argued (in common with many commentators of our own time) that the solution to the housing problem lay in extending house ownership to the working class, thereby elevating them from the ranks of the propertyless to those of the propertied, and transforming them into minor capitalists. Engels correctly identified the fallacy of this argument as deriving from the confusion of different types of property: 'Capital is the command over the unpaid labour of others. The little house of the worker can therefore become capital only if he rents it to

a third person and appropriates a part of the labour product of this third person in the form of rent. But the house is prevented from becoming capital precisely by the fact that the worker lives in it himself, just as a coat ceases to be capital the moment I buy it from the tailor and put it on' (edn 1969, 330–1). In this argument, Engels effectively drew the necessary distinction between rights of accumulation and rights of use as two separate types of property (see Rose *et al.* 1976). To the extent that house ownership functions for personal use, it cannot transform a worker into a capitalist. However, Engels then goes on to suggest, 'The worker who owns a little house to the value of a thousand talers is, true enough, no longer a proletarian, but it takes Herr Sax to call him a capitalist' (edn 1969, 331). In other words, having previously reiterated the orthodox marxist position, Engels nevertheless comes to the conclusion that house ownership does play an independent part in class structuration, even though it does not constitute ownership of capital.

The only implication which can be drawn from this is that domestic property ownership is one criterion by means of which a distinct middle class may be identified. There are two principal ways in which marxist theory may take account of the existence of the middle class. One is to approach the middle class as a transitional class, or as a fraction of one of the two main classes in the pure capitalist mode of production (see Giddens, 1973 or Poulantzas, 1973). The second (and from our present perspective, more fruitful) approach is to identify the middle class as performing a dual function in the process of capitalist accumulation. Both perspectives, of course, continue to locate class relations in the process of production, but the latter, which is associated primarily with the work of Carchedi (1975), does provide a means by which domestic property ownership may be incorporated into an analysis of the middle class.

Carchedi's argument is basically that, in advanced capitalism, the productive process is so complex that the concept of 'productive worker' must be expanded to encompass those who coordinate production as well as those who actually produce commodities. Thus he extends the concept of the 'collective worker', arguing first, that the capitalist may carry out both the 'global functions of capital' (i.e. control and surveillance) and some of the functions of the collective worker (i.e. coordination of the labour process), and secondly, that certain sections of the workforce may similarly perform aspects of both functions. Of particular significance here is the situation of the new middle class: 'This fact, that the new middle class performs the global function of capital even without owning the means of production, and that it performs this function in conjunction with the function of the collective worker, is the basic point for an understanding of the nature of this class' (Carchedi, 1975, 51). The new middle class, because it spends part of its time performing the global functions of capital and part performing the functions of the collective worker, is paid out of two sources. In respect of its time spent in producing, it is paid a wage equivalent to the exchange value of its labour power; in respect of its time spent performing the functions of capital, it is paid out of revenue. In this

way, the new middle class stands between the class of capitalists (which extracts only revenue) and the class of workers (which extracts only wages).

One implication of Carchedi's analysis is that a middle class, located within the capitalist mode of production, can be identified as having its own distinct class interests, with the result that any attempt to dismiss its particular mode of class awareness as evidence of false consciousness must be rejected (see Crompton, 1976, 442; Bottomore, 1973, 24). Even more importantly, however, Carchedi's argument establishes the basis of class formations in the function, and derivatively in the source of returns, of the class in question. This is highly significant since it directs our attention to the ways in which value may be appropriated by the middle class, even though it does not own capital. In other words, if the middle class is to be identified as that class which can establish a claim over both wages and revenue, then we must ask how access to revenue is achieved. For example, Carchedi himself suggests that the tendency within capitalism to reduce skilled labour to average labour gradually erodes the involvement of various groups of middle-class workers in the global function of capital, and therefore results in a decline in that portion of their payment which derives out of revenue. What he does not consider, however, is the possibility that large sections of the middle class may be able to counter this by achieving access to other sources of revenue outside the work situation. It is my argument in this paper that a crucial source of revenue does exist outside the work situation in the form of the accumulative potential of domestic property ownership.

IV Domestic property ownership and the process of real accumulation

Discussing owner-occupation, Pahl has suggested that, 'A family may gain more from the housing market in a few years than would be possible in savings from a lifetime of earnings' (1975, 291). If this is the case, then it would seem that domestic property ownership may play a highly significant part as a source of revenue. In other words, if it can be demonstrated that house ownership provides access to real accumulation, then it may be seen as a basis for a distinct class formation in Weber's terms (given his emphasis on the ownership of property which is usable for returns), and as a significant criterion of middle-class membership in the context of Carchedi's marxist analysis (given his emphasis on access to revenue). The question, however, is whether house ownership does involve a process of real accumulation.

To the extent that marxists have addressed themselves to this question, they have generally argued in one of two ways. Either they have argued that the apparent gains which are seen to accrue to owner-occupiers are illusory, or they have suggested that if owner-occupiers do gain, this is possible only at the expense of new buyers, such that as a category, they

merely exploit each other. In both cases, it would follow that owner-occupiers can in no way be seen as a distinct class or class fraction.

The argument that apparent gains are illusory can best be examined through a hypothetical example. Let us assume that an individual buys a house for £5000 using £500 from his own savings and a mortgage for £4500. Let us also assume an annual rate of inflation of 10% which is reflected uniformly in house prices, rents, wages and interest rates. It follows from this that in just over seven years, the house-owner will find that the money value of his home has doubled to £10 000, thereby providing him with a notional gain of £5000. However, those who argue that owner-occupation does not generate wealth immediately point out that, over this same period, the price of all other houses will have increased on average by the same amount, and given that the owner-occupier has to live somewhere, he has therefore gained nothing in real terms. The only way in which he could realize this notional gain would be by buying 'down market' or by moving into the rented sector. In reality, the only people who actually do gain are those, such as landowners or owners of multiple houses, who are in some way engaged as capitalists in the supply of housing.

One response to this argument has been that, although the increase in money value of housing may not be immediately realizable for most owner-occupiers, it does nevertheless represent a real increase in wealth. Ball, for example, writes, 'It is often argued that such increases in property values are not gains to the owner as they are unrealizable given that another house of similar price has to be purchased. The argument is obviously fallacious; the correct comparison is between owning and not owning at one point in time. . . . Wealth is created for owners but not non-owners. Whether this wealth is ever realized is immaterial; it still exists, even if it is used only as an inheritance for future generations' (1976, 25). However, although Ball is obviously correct to draw attention to the importance of the intergenerational transmission of wealth, his argument largely misses the point, since it is clear that the wealth accumulated through house ownership is realizable in terms of income. Thus, to return to the example above, if the owner-occupier sells his house after seven years for £10 000, he can appropriate the entire increase in money value of his house, even though he has only paid for a fraction of it out of his own resources. Having started with a £500 deposit, he ends up, not with £1000 (representing the result of a 10% annual inflation), but with £5500 (representing the inflated money value of his deposit, plus the inflated value of that part of the house for which he has not yet paid). In real terms, his capital has grown by 450%. If he chooses to reinvest the whole of this real gain in another house, he will be able to take out a mortgage for £9000 (i.e. an equivalent mortgage in real terms to his original one of £4500), add a deposit of £5500, and buy a house for £14 500—almost half as much again as the house he has sold. Alternatively, he could reinvest in an equivalent house at £10 000. In this case, he could either take out a mortgage for £9000 and put £4500 in his pocket, or retain his original mortgage and reduce the real cost of buying

the house by half. Whatever choice he makes, he will realize a substantial income from his property, unlike a tenant who will simply find that his rent has doubled.

Where do such substantial gains come from? Clarke and Ginsburg appear in no doubt: 'The gain is achieved at the expense of another owner-occupier who purchases the house. . . . The important point is that from the point of view of the sector as a whole, capital gains do not represent a benefit' (1975, 19). Again, however, the argument is invalid. As we shall see, one source of wealth for existing house owners may be other buyers, but this will only be the case where house price inflation outstrips the general rate of inflation. But this is not the case in our example where substantial gains are still achieved. The point here is that when the individual sells his house at £10 000, he sells it at the same real value as he paid for it; the buyer pays twice as much in money terms, but the same amount in real terms, given that wages have also doubled.

In fact, in this example, the gain represents the owner-occupier's own enforced savings. In other words, given the assumption of a uniform rate of inflation, lending institutions will increase interest rates to a level where the borrower repays both the real rate of interest (say 3%) and the erosion of the value of the loan (10% per annum). He therefore appropriates the increased value of the house, but pays for it through increased interest charges—a case of robbing Peter to pay Peter.

This argument clearly lends support to those who deny the material relevance of tenure divisions, for although the tenant cannot accumulate in this way, he can nevertheless save the same amount by investing the difference between the rent he pays for the use of his dwelling (assuming this is equivalent to the real rate of interest paid by the owner-occupier for the use of his loan) and the total interest payments made by the owner-occupier. Put simply, neither of them accumulates except through their own (forced or voluntary) savings, and both are obliged to pay a real sum (in real interest or in rent) to some fraction of capital for the use of their respective dwellings. Are they not, therefore, in identical 'class' situations?

Two points need to be made about this. The first is that the owner-occupier's investment is in the house in which he lives while that of the tenant (assuming he invests on the same scale) is in some financial institution. This results in diametrically opposed material interests, for while the former has an interest in high house prices and low interest rates, the latter has an interest in low house prices (since the level of prices will be reflected in the level of rents) and high interest rates (i.e. high returns on his savings, although high interest rates will also, of course, be reflected in higher rents). At the very least, therefore, these two categories of housing consumers can be seen to have different objective interests in relation to the housing market, although this constitutes insufficient grounds for identifying them as distinct classes. In other words, at times of uniform inflation, or, indeed, nil inflation, domestic property ownership gives rise to distinct interests but not to distinct property classes in the Weberian sense since real accumulation, other than through savings, is not possible.

The second point is therefore crucial to my argument, and it is here that I introduce empirical factors into the analysis. Basically, the abstract example on which I have based the argument so far bears no approximation to empirical reality. The key assumptions on which this example was based were that the general level of house prices inflates at the same rate as the overall rate of inflation, that interest rates charged on credit for house purchase are adjusted to take account of the declining real value of monetary loans, and that interest payments by owner-occupiers are met entirely out of their own income. None of these assumptions is tenable.

House prices in Britain, at least since the war, have increased faster than the general rate of inflation. Indeed, over the last ten years, the average level of house prices has risen faster than returns on any other conventional form of investment (*Estates Gazette*, October 1976) so that it would have been impossible for any non-owner to achieve returns on investment comparable with those accruing to owners. This long-term trend towards real increases in house prices shows no sign of being halted, and even legislation aimed at controlling the price of development land seems unlikely to make an appreciable difference (see Ambrose, 1976). The gains made by owner-occupiers as a result of this uneven rate of inflation are, of course, achieved at the expense of new buyers, but it is necessary to point out first, that this does not invalidate an analysis of owner-occupiers as a property class (since non-owners are by definition excluded from such a class, and the premium they pay to existing owners for entry into that class may be recouped with profit at a later date), and secondly, that this is probably the least significant source of accumulation for house owners.

At times of inflation, building society interest rates are rarely adjusted to take full account of the declining value of money, and this provides the second source of accumulation for owner-occupiers. As Cullingworth has observed, 'When inflation is brought into account, an owner-occupier may find himself buying his house for nothing' (1972, 58). In recent years, for example, the rate of inflation in Britain has at times reached 25%, yet mortgage rates have never exceeded half that amount. Owner-occupiers have thus been able to borrow money at substantial negative rates of interest, and the revenue which has accrued to them as a result has been achieved at the expense of building society investors. This has given rise to a significant regressive redistribution of wealth in society since most depositors are less wealthy than most borrowers.

The third source of capital accumulation for the owner-occupier has been general taxation, both through government subsidies of building society mortgage interest rates, and more directly through the tax allowances which can be claimed on housing loans. Of course, it is often argued that council tenants also receive government subsidies, but these represent subsidies on use value whereas tax allowances on owner-occupation represent considerable subsidies on future exchange value. Again, it is possible that tax relief could be abolished in future legislation, although this seems unlikely given the political significance of owner-occupiers as a property class at both local and national levels in British politics.

The three principal sources of real accumulation are therefore the disproportionately high rate of house price inflation, the level of interest rates in times of inflation, and government subsidies. In addition to these, of course, the owner-occupier may also accumulate through the expenditure of his own labour power on his property (a possibility not available to the non-owner), but these three provide the principal sources of revenue, and for as long as they remain, owner-occupation will continue to provide access to considerable wealth over and above that which is accumulated through enforced saving.

V Owner-occupation and political action

It is important to emphasize that housing differs from other items of consumption precisely because of the opportunity which ownership provides for wealth accumulation. Thus I would reject any attempt to develop an analysis of property classes in relation to the ownership and non-ownership of, say, consumer durables, for these represent a qualitatively different type of property which functions almost entirely for use rather than for accumulation. Similarly, members of private pension funds, policy-holders in insurance companies and similar groups, although they do stand to accumulate considerable sums over a long period of time, cannot be seen as constituting a property class since a pension or a mature policy function primarily for use (i.e. to be used up during retirement) rather than as a means of accumulation over and above consumption requirements (see Rose *et al.*, 1976). The point about house ownership, therefore, is that it functions both for use and for accumulation. This leads to an analysis of property or housing classes which distinguishes three classes; those who live off domestic property (i.e. the suppliers of housing), those who live in it (i.e. tenants), and those who do both (i.e. owner-occupiers).

It is, of course, possible to identify subdivisions or strata within each of these three classes—e.g. the divisions between finance and landed capital, between private and council tenants, or between mortgagees and outright owners—and these may at times result in intra as well as inter-class antagonisms. The existence of such divisions has led some writers to suggest that owner-occupiers cannot be seen as a distinct category at all, so great are the differences between, say, the owner of a detached house in suburbia and the owner of a small slum property in the inner city. Dennis (1970, 236), for example, argues that few of the customary benefits of owner-occupation were available to the owners of the houses in a redevelopment area of Sunderland which he studied: 'The home cannot be valued as a tangible object to be handed down in the family, nor can owner-occupation be regarded as a means of obtaining security of tenure' (p. 236). Yet even in such an extreme case, it can still be argued that owner-occupiers share objectively different and conflicting interests relative to tenants, since the potential for accumulation still remains. This is clearly demonstrated in the case of a similar slum area in Nottingham, where attempts to bring tenants and owner-occupiers together in a single organization failed because

tenants generally supported redevelopment (since it offered the opportunity to gain access to more desirable council housing), while owners favoured improvement of existing housing stock as the means whereby they could enhance the market value of their property (Silburn, 1975). Despite Silburn's suggestion that the two groups shared 'common ground' relative to the interests of capital, it is therefore apparent that the division between them reflected a significant divergence of real material interests, and could not simply be explained away as indicative of status group identities or false class-consciousness.

Owner-occupiers, then, may find themselves in conflict with private capital or with non-property-owners. Similarly, they may forge temporary political alliances with *either* of these two groups—a point missed by Castells's argument that urban political issues may result in broad anti-capital alliances (Castells, 1975, 192–3). It is important to recognize that threats to the domestic property interests of owner-occupiers may come from 'above' or 'below'. In my research in the London Borough of Croydon, for example, I have shown how owner-occupiers may mobilize against, say, private development companies (e.g. when local property values are threatened by proposals to build on adjacent green belt land, or by attempts to infill vacant sites at relatively high densities), while at other times they may come together to resist attempts to increase council house provisions in suburban areas, or to raise local property taxes (Saunders 1975a and 1975b).

This necessity to fight on two fronts means that owner-occupiers may adopt either of the two types of class strategy identified by Parkin (1974). Parkin's paper is useful from the present perspective for it distinguishes classes, not specifically in terms of their place in the process of production, but rather in terms of their characteristic mode of social closure, i.e. the way in which they seek to maximize returns by increasing their access to them, or by restricting the access of others. Parkin identifies two strategies of social closure—exclusion and solidarism—and suggests that the former is generally adopted by dominant groups while the latter is the characteristic mode of response of subordinate classes. Although Parkin himself argues for a dichotomous (though fluid) model of class relations, it is apparent that his concept of class strategies is useful in analysing the dynamic aspects of middle-class mobilization, for while a dominant class may generally adopt strategies of exclusion, and a subordinate class may customarily adopt strategies of solidarism, it is clear that a middle class may be obliged to act solidaristically, in its attempts to force concessions from capital, or exclusively, in its attempts to repel threats from propertyless groups.

On the basis of my Croydon research, I would suggest that owner-occupiers do just this. Through a network of strong and cohesive residents' associations, they have shown themselves willing and capable of developing a solidaristic challenge to capital, both negatively (i.e. in response to proposed developments) and positively (i.e. in their demands for concessions on, say, the provision of community facilities). Indeed, it is apparent that in Croydon, owner-occupiers have proved stronger and more effective politically than have tenants, and they have often exhibited a high

degree of what Bell (1977) terms 'housing class consciousness'. Similarly, in their relations with non-property-owning groups, owner-occupiers have exhibited a high degree of class exclusivity based on a common awareness of the need to fend off threats to property values. Indeed, it is something of a paradox that owner-occupiers have often sought to defend their own sectional interests by representing them as equivalent to the public interest (e.g. areas of green belt are 'defended' on behalf of all Londoners), for it is in this way that the exclusion of other groups has consistently been justified, and the pattern of existing material and environmental inequalities thereby perpetuated.

VI Concluding comments

The argument developed in this paper has both theoretical and political implications. At the level of theory, it has to be conceded that the analysis is founded on certain empirical conditions regarding the potential for accumulation generated through ownership of domestic property. However, for as long as these preconditions of accumulation remain, I would suggest that the analysis has significant consequences for both Weberian and marxist approaches to class structuration. As regards the Weberian perspective, it is clear that domestic property ownership is usable for returns, and that it therefore provides the basis for identification of a distinct middle property class. This has obvious implications for any Weberian analysis of political struggles in relation to housing, but it would also seem to have significant consequences at a broader level in terms of social class relations, leading, for example, to the conclusion that a manual worker who owns his own house is in a different class situation from the manual worker who does not. Such an argument would therefore explain the political consequences of increased home ownership among manual workers, and particularly the apparent decline in collective consciousness which is seen to result from the extension of owner-occupation, in terms, not of ideology, but of a real material change in the basis of class relations.

As regards the implications of my argument for marxist theory, we saw that one possible way of taking account of the material and symbolic significance of house ownership could be by extending Carchedi's analysis to include revenue sources outside the social process of production. Yet there are immense problems with this, for not only does it break with the view that classes are constituted only in the process of production, but it also fails to theorize the class situation of working class owner-occupiers. Do they constitute a 'fraction' of the working class, a distinct 'stratum' or what? Such questions are, of course, meaningless, but we are inevitably led into such fruitless classificatory exercises for as long as we hold to the conventional marxist orthodoxy that political forces must in some way relate to class divisions at the economic level. It is precisely this assumption which is challenged by my arguments in this paper, for it is apparent that although housing tenure cannot provide the basis of class relations from a

marxist perspective, neither can political struggles which are constituted around tenurial divisions be simply defined away by resort to a crude instrumentalist theory of ideology. Thus we are led to the conclusion that housing struggles cannot be reduced to an analysis in terms of economic classes. As Hirst puts it, 'When we turn to confront the dominant political issues and struggles of the day, classes, categories of economic agents, are not directly present in them . . . The issues, the ideologies, the classes specified within the political arena are constituted there—one cannot read back beyond it to some essential arena of class struggle beyond politics' (Hirst, 1977, 125 and 131). There is, in other words, a 'necessary non-correspondence' between economic classes and political action—an argument which is already familiar from Weber's political sociology.

While differing over the question of whether tenurial divisions can form the basis for class formations, the Weberian and marxist approaches may therefore be seen to converge to the extent that they recognize that struggles between tenure groups reflect real divisions of political interest. The implications of this for political strategy are obvious; any attempt to bring about a relatively permanent alliance between all consumers of housing, irrespective of tenurial status, must be rejected as misguided and counter-productive. It is misguided because there is no reason why owner-occupiers should come to recognize a common class interest with non-owners. To argue, as does Castells (1977), that a crisis in the provision of the 'collective means of consumption' (such as housing) has generalized political consequences affecting a broad range of different classes is to ignore the fact that different classes will be affected in different ways. Indeed, a housing crisis may well lead to a greater awareness among owner-occupiers of the need to maintain their position in the face of possible threats from those (such as squatters) who do begin to organize in response to the crisis. The divisions between the two categories of housing consumers may therefore be exacerbated rather than reduced. As Pahl puts it, 'It is when the capital gains derived from housing advantage a whole class in society at the expense of another that it has socially divisive consequences. . . . Certainly I see this tension between ownership and non-ownership increasing in the years ahead' (Pahl, 1975, 298).

Attempts to build an alliance of all consumers may also prove counter-productive, since they are likely to result in the emasculation rather than fortification of tenants' movements. I have already noted how owner-occupiers may attempt to maintain their privileges through a claim to represent a broader public. It would indeed be ironic if activists were to aid them in this deception by helping them take over the aims, objectives and organizational potential of those movements among tenants which do develop. The point is that, while owner-occupiers and tenants can find some common ground in relation to the interests of capital, this is only half the battle for non-property-owners. For them, an equally significant battle remains to be fought out on our own doorsteps.

VII References

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