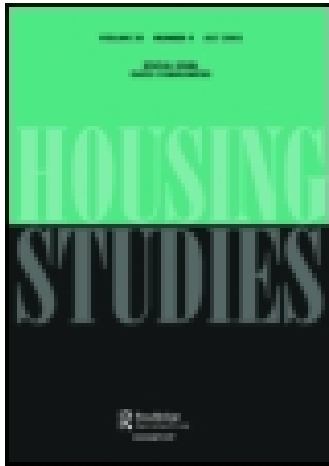


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Publisher: Routledge

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Housing Studies

Publication details, including instructions for authors and subscription information:

<http://www.tandfonline.com/loi/chos20>

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Published online: 17 Jun 2014.

To cite this article: Marianna Filandri & Manuela Olagnero (2014): Housing Inequality and Social Class in Europe, *Housing Studies*

To link to this article: <http://dx.doi.org/10.1080/02673037.2014.925096>

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Housing Inequality and Social Class in Europe

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(Received July 2012; accepted April 2014)

ABSTRACT *On the basis of European Survey on Income and Living Conditions (EU-SILC) data, this paper conducts a comparative analysis of housing conditions in different European countries by focusing on social class. The variance in housing conditions by social class could provide further insights about the divergence/convergence hypotheses stemming from the comparative analysis of living conditions of European countries. To support this claim, two main dimensions of housing inequality will be identified: tenure and housing well-being. A micro-level data analysis was performed, in order to take account of individual and family costs of access and maintenance of ownership in settings and in periods (such as the present day) of rising housing prices and income resources that decrease in terms of amount and stability. The aim is thus to demonstrate that, despite the difference in well-being in Europe between owners and non-owners (on the average the firsts are better off), homeowners cannot be regarded as a privileged category per se.*

KEY WORDS: Social inequality, Housing well-being, EU-SILC

Introduction

In a seeming contradiction, two phenomena have characterized housing conditions in Europe over the last three decades: on the one hand, there has been an extension of homeownership and a spread of high living standards, while, on the other hand, there has been an increase in housing costs. Although around three-quarters of Europe's citizens own their own home, the costs of accessing and maintaining a home have continued to rise which does not only jeopardize housing security and quality, but can also stand in the way of life projects.

Access to housing today represents one of the most difficult aspects of the transition to adult life. The high cost of accessing housing contributes not only to lowering the living standards of households, but also to delaying life projects and dampening expectations for the future (Ranci, 2010).

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As this paper will demonstrate, the paradox lies in the fact that homeownership does not exclude housing deprivation. Therefore, homeownership cannot be regarded as a privileged category *per se*.

The hypothesis is that households' social class plays an important role in enabling owners to combine homeownership and well-being. So, social stratification must be considered when looking at housing circumstances.

The paper will examine the relationship between homeownership and housing well-being, introducing social class as a key variable for interpreting the differences between countries regarding housing policy scenarios at the end of the past decade. The role of social class in enabling housing quality has to be framed by periods and contexts in which—in Europe since the 1980s—public expenditure on housing has increased in most countries, for the most part to promote ownership. Ownership and well-being strongly depend on the interaction of the housing system and welfare policy: the consequent geography of housing ownership and well-being in Europe may not perfectly reflect that as described in the clusters constructed according to the differences and similarities between welfare regimes.

Analyses are based on European Survey on Income and Living Conditions (EU-SILC) data, using cross-sectional data for 2009, focusing on 15 European countries (EU-15).

Hypothesis and Frame Analysis

Our general hypothesis is that whereas homeownership is on the rise throughout Europe, it produces well-being only under certain conditions that can be investigated at different levels, namely macro and micro (Kurz & Blossfeld, 2004; Malpass, 2006; Ranci, 2010). Several analyses have been carried out at the macro-level, regarding the relationship between welfare expenditure and housing measures (Allen, 2006; Conley & Gifford, 2006; Stamsø, 2010).

Our interest focuses on micro-level analysis, which is less well-studied, in order to link individual and family resources either to ownership or well-being, within a framework of social stratification. Social class, in the sense in which the term is used here (Goldthorpe *et al.*, 1987), represents a position of advantage or disadvantage which involves market capacity, power, prestige and specific lifestyles. It also indicates the availability of economic, human and social capital that is crucial to the process of purchasing and maintaining a home. Class is not simply a question of economic resources—in this case it would be more appropriate to use income—but is also an indicator of the position occupied by a household within social space, simultaneously taking the unequal distribution of tangible and intangible assets into account. The appropriateness of using class in housing studies is clear if we consider housing market practices, or in other words those practices that include forms of capital such as social networking, embodied taste and knowledge of the relevant legal and institutional contexts (Boterman, 2012).

The two analytical dimensions of housing tenure and housing well-being which we refer to in our analysis are drawn from varied literature that has addressed this topic for some time: classic housing research on the relationship between housing tenure, the local area and inhabitants' well-being; analyses of social stratification with their awareness of the meaning (factors, mechanisms and effects) of homeownership for social inequality; and studies on housing, vulnerability and social policy.

We will now consider several suggestions from these research streams, starting from the two analytical dimensions and the empirical indicators on which our investigation is based. The first dimension is housing tenure.

Tenure between Social and Housing Stratification

Since the 1980s (see, for example, Murie, 1983), it has been clear to scholars of social stratification that the housing question has social relevance from a number of standpoints. The home has a major impact on the quality of individual life: from health to social relationships. Access to and availability of a home of one's own are crucial factors in the process of redistributing command over resources, i.e. accumulating wealth or transferring it to successive generations.

From this perspective, tenure, as it highlights the cleavage between owners and non-owners, is seen as the most important dimension of housing inequality. Housing inequality is, in turn, an important dimension of social stratification. It regards social class as a structured system composed of the following factors: participation in political power, education, status, occupation, income and housing tenure (Osborn & Morris, 1979).

The early 1990s saw the beginning of a heated debate concerning the relationship between homeownership and social class. Some scholars argued that homeownership has given rise to a new social cleavage, between owners and non-homeowners, which has replaced the 'old' class system (Saunders, 1990). But in that same period, other scholars challenged the idea, showing that homeownership was more and more differentiated and fragmented and arguing that tenure alone could not be a useful analytical tool for describing and explaining positions and changes in social stratification (Forrest *et al.*, 1990).

From this perspective, housing tenure is not seen as giving rise to new social classes, but rather as a component, albeit one that is crucial to social standing, which is chiefly influenced by one's position on the labour market (Goldthorpe *et al.*, 1987; Savage *et al.*, 1992).

An interpretative tool that gained ground in this period was the *cumulative advantage/disadvantage model*. This holds that homeownership contributes to constructing disadvantaged or advantaged social groups not only by reinforcing a social group's position in the present, but also by 'mortgaging' the future social trajectory (Kendig, 1990). This model also applies to housing deprivation. The rigidity of the housing market prevents the underprivileged who live in rented accommodation or in public housing from exiting a bad career, making them even more socially discriminated against (Harloe, 1995).

Nevertheless, the situation has changed since then. For example, the mechanism of cumulative advantages strongly depends on sudden changes in the housing market. Price volatility can create differences between homeowners. Long-lasting homeowners are often able to weather turbulent markets; those who buy at the peak of the housing price cycle with the highest loan to value ratios—typically younger, lower-income buyers—usually pay the highest price (Ronald & Elsinga, 2011).

These cleavages only add to those already established between the housing styles, patterns and possibilities accessible to high- and middle-class owners, opposed to those available to low-class owners (di Salvo & Ermisch, 1997; Ermisch, 1996). In this light, the differences between poor owners on the one hand and wealthy or well-off owners on the

other becomes just as important, if not more so, than those affecting owners and non-owners.

It has also been shown that housing tenure can create divisions within social classes. Assets theory—which focuses on the resources that the middle classes can draw on in their formation and reproduction (Bennett *et al.*, 2009; Devine & Savage, 2005; Savage *et al.*, 1992, 2005; Stewart, 2010)—holds that homeownership is a differential resource for certain fractions of the middle classes, depending on their occupation (professionals, petty bourgeoisie, managers, etc.).

Among the studies that attempt to link housing and social inequalities, it should also be mentioned that there exists a line of investigation proposing the concept of ‘housing class’. In this view, tenure is an important component of social position that, although not in itself predictive of the chances of improvement and social mobility, contributes to the possibility of identifying different positions in stratification based on differing conditions of housing access and payment (Anelli, 2004; Drudy & Punch, 2002; Lux *et al.*, 2013).

The importance of the relationship between homeownership and social situation is now widely acknowledged.

Less attention has been devoted to the relationships, which as we will see are not entirely predictable, between social stratification, homeownership and housing well-being. This is perhaps because research on social stratification has focused mainly on ownership as a function of socio-economic status (Kurz & Blossfeld, 2004); furthermore, it has underestimated the complexities of housing circumstances, some of which will be investigated in this paper.

Housing Well-Being

The second dimension considered here is housing well-being. Research dealing with housing well-being has largely addressed the question of housing deprivation. Today, thanks to common indicators and measures of housing deprivation, we have detailed analyses that are well-established at the European level, and a scenario that is on the whole comforting, at least as regards EU-15. The fact that the Eastern European countries have been included in the purview for some years now has been extremely useful, as it has shown on the macro-level that the rise of homeownership has not ensured the spread of housing well-being to the same degree in all countries; much depends on the institutional and political choices made in specific periods and national contexts (Domànski, 2008; Lux *et al.*, 2013).

An interesting step forward has been made by the aforementioned studies, many of which are comparative, of the relationships between housing, social vulnerability and policies (Ranci, 2010). These studies concluded that it is necessary to extend the boundaries of housing deprivation and also consider the states of housing difficulty, stress and risk. Accordingly, Palvarini & Pavolini (2010) developed a series of indicators of housing deprivation and discussed the variety of different housing situations they describe. A merit of this analysis is that it reflects the complex, multifaceted character of living standards, and emphasizes the importance of considering the various ‘gradual’ dimensions. Another point that the authors bring into focus is the importance of states of deprivation that fall short of being extreme, as they represent conditions of risk that are of major interest to policy-makers. One feature makes the study of this phenomenon particularly complex: multidimensionality, meaning the range of possible housing

problems is very broad and diversified (Palvarini & Pavolini, 2010). This feature implies that deprivation can occur with differing levels of severity. Thus, general housing inadequacy is chosen as the preferred analytical tool rather than housing exclusion or homelessness. According to Palvarini & Pavolini (2010), some of the relevant dimensions of housing deprivation are: (1) *unaffordability*—the pressure on households because of housing costs; (2) *overcrowding*—inhabitants have insufficient space for their needs; (3) *housing inadequacy*—structural deficiency or a lack of housing facilities; (4) *quality of the neighbourhood*; and (5) *insecurity of tenure*.

Thus, if housing quality is a multidimensional concept, the various dimensions cannot be inferred from each other, and there may be independent types of housing deprivation (or, conversely, housing well-being) involving physical, economic or social and also institutional domains of living.

Therefore, in the following paragraphs a comparative analysis regarding the influence of social class on housing well-being,¹ which has not been previously investigated in depth, is carried out. In addition, country-specific clusters proposed by both welfare regime literature (Esping-Andersen, 1990) and recent housing research are considered (Allen, 2008; Kemeny, 2005; Palvarini & Pavolini, 2010; Poggio, 2006; Ronald, 2008), the aim being to frame the influence of social class on housing circumstances within different institutional scenarios.

A Comparative Analysis of Housing Ownership and Well-Being in Europe

The role of housing in welfare regimes has sparked extensive debate. Esping-Andersen's original approach to the process of regulation of social life through welfare regimes paid little attention to housing as an aspect of either the social structure or welfare (Esping-Andersen, 1990; Groves *et al.*, 2007; Ronald, 2008). Despite their importance to the actual mediation of welfare, housing systems have historically been considered the 'wobbly pillar' of welfare states (Torgersen, 1987): 'neither fully a part of the welfare state nor fully a part of the free market, and never provided with universal social services like education and health' (Stamsø, 2010, 64).

In Esping-Andersen's (1990) theoretical framework, the responses to the challenge of decommodification faced by European countries will differ according to the differing weights assumed by the three actors on the scene: family, market and state. Here, the widespread homeownership which generally characterizes the Mediterranean European countries brings support to the argument that there are two models in Europe for the property market and the role of the family in the welfare system. According to this classification, the Southern countries differ from the Northern countries because of a limited availability of social rented housing, a high ownership rate, and because access to ownership is often mediated by economic aid from the family (Allen, 2008).

We arrive at a similar cleavage (North-Central European countries on the one hand and Southern on the other) if we also consider the rental tenures found in the different welfare states. Public rental sectors in social democratic countries are likely to be neither stigmatized nor residualized, and attract both working- and middle-class households (unitary model). In the Southern societies (dualistic model), the non-profit housing sector tends to be residualized and does not compete directly with the mainstream housing market. Such societies normally feature mass homeownership. This model can be aligned with individualistic, economically liberal societies which seek to provide some minimal

safety net while maintaining the integrity of market relations in the mainstream housing sector. On the contrary, unitary societies have ‘integrated’ housing systems where state-subsidized and not-for-profit housing competes directly with the private housing sector. In this way, the government is able to maintain control of the housing market and distribute housing on a more universally equitable basis (Kemeny, 1995).

In line with the previous patterns, the articulated typology proposed by Poggio (2006) confirms the division between North and Centre on one side and South on the other, regrouping countries according to institutional actors involved in supporting or promoting housing (ownership or rental). So we can find a first tenure choice model that selects countries of Continental and Northern Europe in which rent tenure is a matter of choice during life course. The other European countries are regrouped together according to amount of ownership—let us say a chance instead of choice—and further divided according to the role of private actors (the market-driven model is typical of the UK, while the family model is typical of Southern European countries).

The most recent housing research literature has included housing conditions in social policy analysis and country classification (Kemeny, 2005; Ranci, 2010; Ronald, 2008). Increasing privatization and commoditization of housing in terms of market forms of provision and consumption have begun to intensify and extend the significance of housing systems in welfare relations. Housing policies, specifically those institutionally driven to the promotion of owner-occupation (Allen, 2008; Atterhog, 2006; Norris, 2008; Norris & Shiels, 2007), have recently been associated more with government moves to reduce social safety nets and withdraw public welfare provision. Ronald’s (2008) concerns deal with the recent national and international transformations in housing systems, with the rapid augmentation of homeownership and house prices, which appear to promote and underpin a restructuring of welfare relationships and the advancement of neoliberal forms of governance (Malpass, 2006; Ronald, 2008). The idea is that homeownership is ‘ideologically stimulated’, not only generating social and economic advantages for homeowners (Ronald & Elsinga, 2011; Stephens & van Steen, 2011), but also creating stigmatization of renters. We are dealing here with an asset-based welfare, which represents a fundamental and historic shift in the welfare logic throughout all advanced societies (Ronald, 2008; Stamsø, 2010).

Changes that have occurred in housing provision and welfare systems in Europe in recent decades could reduce the gap between the different patterns (i.e. South vs North Europe) and bring out an unprecedented convergence. We can identify at least two scenarios; in the first, welfare provision (social housing or rent subsidies) and private property tend to exclude each other as producers of social security resources (*crowding out* hypothesis), while in the second case they are interwoven (*crowding in* hypothesis, i.e. housing as a cornerstone of the welfare system). In the first scenario, individual and family resources should be more relevant than in the second. In other words, the influence of social class, in combining well-being and ownership, should be stronger in the crowding out hypothesis than in the crowding in hypothesis. While in the first scenario social class should affect both ownership and well-being, in the second it should matter only for housing well-being.

Data and Methodology

The analysis is based on data from the EU-SILC. EU-SILC is a panel survey which began in 2004 and is carried out on a yearly basis in many European countries.² The project

database gathers together comparable, cross-sectional and longitudinal multidimensional micro-data on income, poverty, social exclusion and living conditions.³ We used the family data collected in 2009 in this study, as they are the most recent available. Analyses were conducted for all EU-15 countries.

The dependent variables of the study are homeownership on the one hand and the four dimensions of households' housing condition on the other. The former was dichotomized into ownership/non-ownership, without distinguishing between mortgaged and non-mortgaged homes, because whether or not the households observed had entered into a mortgage is linked with the age of the family and the timing of access to ownership. The second variable which attempts to take housing well-being into account was constructed on the basis of four different aspects: sufficient space for the number of family members, neighbourhood quality, housing adequacy and affordability. Whether or not space is sufficient was determined by calculating the ratio of number of rooms to number of family members. The well-being threshold was set at a minimum of one room per person. The quality of the neighbourhood involves the lack of problems associated with noise, crime and pollution. Housing adequacy is given by the amount of natural light (the house is not too dark), whether there is a bath, shower or indoor flushing toilet in the home, and the absence of damp walls and floors, leaking roof and rotten doors and windows. Lastly, affordability is based on the households' perceptions of facing a 'Heavy financial burden of the total housing cost'. These aspects are the same as those considered by other studies of housing inequalities in Europe⁴ (Palvarini & Pavolini, 2010).

To provide a synthetic measure of housing well-being, we constructed an additive index. This index was then dichotomized into a dummy variable—presence or absence of well-being. We chose to use a single absolute measure for all European countries to make immediate comparison possible, that is without accounting for specific national characteristics such as the importance of space in a Northern or Southern country. All households enjoying at least half of the well-being indicators presented above were considered to be 'well off' in terms of housing. The decision to use such a broad measure (a narrow measure would consider at least three out of four elements, thus reducing the number of 'well off' households) was made in accordance with the thesis we wish to present. If, as we intend to show, the equation homeownership = well-being does not hold, using an overly narrow measure would increase the likelihood of finding situations of deprivation among homeowners as well as among non-owners. If we find low living standards among owners even when a broad measure is used, we can conclude that our argument is borne out.

The independent variable of the study is social class. We defined social class with ISCO, International Standard Classification of Occupations, two-digit codes which, as in EU-SILC data, was used to establish the class to which each family belonged. We used the criterion of dominance, using the highest of the two partners' classes, and decided to group occupational classes and to use Goldthorpe's three-category model: upper or high class, middle class and low class. This enabled us to have more numerous social classes and to reduce any errors in placing individuals in classes.⁵

The first descriptive analyses were conducted on the entire sample of European households in the EU-SILC data-set. In the second part, we constructed a subsample where both partners are between 25 and 59 years old, there is a maximum age difference of 10 years between the two, and there are no other adult family members (e.g. grandparents or aunts and uncles). This subsample was chosen in order to consider those

households that are on the one hand most numerous from a statistical standpoint and on the other hand are in the middle of their housing career. After defining this subsample, we were able to control for certain significant characteristics that could influence households' living conditions. Our control variables are: age, defining young households as those where both partners are no more than 40 years old; the presence of children (none, one, two or more); the number of earners (dual-earner and non-dual-earner couples); and, lastly, whether income is from employment or self-employment (for dual-earner couples we considered income to be from self-employment if one of the two partners is self-employed). We also controlled for the degree of urbanization of the area where the interviewed households live.

In the following paragraphs, simple descriptive statistics are presented to investigate the relationship between homeownership, housing well-being and social class. Subsequently, the probability of having a good housing situation (homeownership and housing well-being) through social class is estimated via logistic regression. To make the results more comprehensible, data are then presented as the difference in linear probability, separately for each country.

Main Findings

We will first look at how the main housing characteristics are distributed in the European countries considered. [Table 1](#) shows the distribution of housing tenure among the households in the sample, and of the other four dimensions of housing well-being. Over the last 20 years, two-thirds of households have become homeowners (Doling, 1997). Although a considerable variation across Europe exists (rates of ownership vary from about 40 per cent to 80 per cent), the majority of European households own their homes as already observed nearly 10 years ago. Our data confirm the well-known diffusion of

Table 1. Housing homeownership and housing well-being.

	Owners		Non owners		Total	N
	Well-being	Non well-being	Well-being	Non well-being		
Austria	54.0	6.8	28.2	11.0	100	1353
Belgium	69.8	8.1	17.1	4.9	100	1518
Denmark	76.3	4.4	16.7	2.6	100	1754
Spain	72.7	10.3	13.3	3.7	100	3149
Finland	79.2	4.1	13.6	3.1	100	2918
France	62.1	5.4	24.7	7.8	100	2717
Germany	51.4	6.7	30.5	11.4	100	3132
Greece	47.4	20.5	19.5	12.6	100	1437
Ireland	75.7	4.7	15.6	4.0	100	1103
Italy	49.7	20.7	17.7	11.9	100	4177
Luxembourg	52.9	8.2	27.7	11.2	100	1437
The Netherlands	80.6	8.2	9.0	2.3	100	3223
Portugal	61.7	14.9	17.3	6.1	100	871
Sweden	76.5	4.6	14.8	4.1	100	1860
UK	69.8	9.8	13.0	7.4	100	1930
Total	65.3	9.5	18.2	7.0	100	32 579

Source: EU-SILC, wave 2009.

homeownership in Europe over this century. With the exception of Germany and Austria, where around one out of every two households owns their own home, the other countries have percentages that range from 64 per cent up to approximately 80 per cent.

The link between private property and economic (vs political and institutional) process of development has been deeply investigated at a macro-level (Doling, 1999). As observed by Boelhouwer *et al.* (2011), by whatever assets European households have acquired in recent decades, real estate appears to form a significant element in the wealth portfolio.

The relationship between status of owner and housing well-being deserves to be analysed accurately also at a micro-level. Ownership alone cannot provide sufficient information regarding housing well-being. In discussing living conditions in different countries (and other topics as well), it is best to consider several dimensions. Table 2 shows the percentage of households affected by each of the four dimensions taken as the components of housing well-being: sufficient space for the number of family members (at least one room per person), location in quality neighbourhoods (without crime, noise and pollution), in homes that are in good physical condition and, lastly, in homes whose maintenance does not put an excessive burden on the household budget.

A look at the distributions of all of the indicators together reveals a heterogeneous picture. Ireland, the Netherlands and Belgium are the countries where households most often have adequate space, unlike Greece and Italy. Irish, Finnish and Swedish people are more likely to live in 'good' areas, while British, Greek and German households are less so. The percentage of people living in structurally adequate homes is highest in Denmark, Finland and Sweden, and lowest in Austria, France and Ireland. The Danes, Dutch and Swedes most frequently report that they are able to afford their housing expenses, in contrast with households in Italy, Spain and Luxembourg. There are thus countries that, although they are in the same cluster, show differing positions regarding the various indicators (Sweden ranks at the top of the scale in good neighbourhood quality and

Table 2. Housing dimensions by country.

	Owner	Spacious	Area	Adequacy	Affordability	N
Austria	54.1	75.7	67.0	81.4	87.9	5878
Belgium	68.7	90.0	64.0	78.7	70.7	6135
Germany	50.3	80.3	63.7	83.7	81.7	13 087
Denmark	72.5	80.9	69.7	89.6	93.6	5866
Spain	82.8	89.7	66.8	78.0	50.8	13 360
Finland	76.5	84.1	74.0	88.5	82.9	10 137
France	63.7	78.6	67.7	81.0	74.1	10 603
Germany	50.3	80.3	63.7	83.7	81.7	13 087
Greece	75.9	55.2	62.9	77.1	71.9	7036
Ireland	78.1	92.2	77.9	82.1	77.2	5183
Italy	74.7	63.9	63.8	75.9	48.3	20 492
Luxembourg	65.8	76.9	70.9	78.6	62.6	4249
The Netherlands	71.0	90.5	58.4	83.6	91.8	9728
Portugal	75.8	72.3	66.2	74.5	70.5	4961
Sweden	68.8	76.1	73.2	88.1	91.6	7544
UK	71.5	85.6	60.4	78.9	76.2	8362
Total	70.2	78.7	66.3	81.0	72.4	132 621

Source: EU-SILC, wave 2009.

affordability, while Denmark tops the scale only with regard to structural quality of housing). In addition, there are countries that are at the top of the scale for one dimension and at the bottom for another (for example, Ireland is at the top for space and at the bottom for structural quality). It is thus not possible to identify a uniform group (although the Scandinavian countries are always represented in the front ranks) on the basis of the various dimensions, as each produces lines of demarcation that tend to differ from country to country.

To achieve a clearer and more immediate view of the relationship between the four indicators of housing well-being and homeownership, we constructed an additive index. [Figure 1](#) shows the average value of this index for homeownership and non-homeowning households.

There is empirical evidence of the association between these two variables, but it is fairly limited: although ownership doubtlessly brings advantages in terms of living conditions, our data lead us to be sceptical of the equation ‘ownership = housing well-being’.

In all countries, ownership is associated with a higher average level of housing well-being than that of non-ownership. The differences are always significant, although the values are very close.

This link, however, is not equally strong everywhere. The countries where the relationship is clearest are Sweden, Finland and France, while those with the smallest difference between owners and non-owners are Spain, Greece, Italy and the Netherlands.

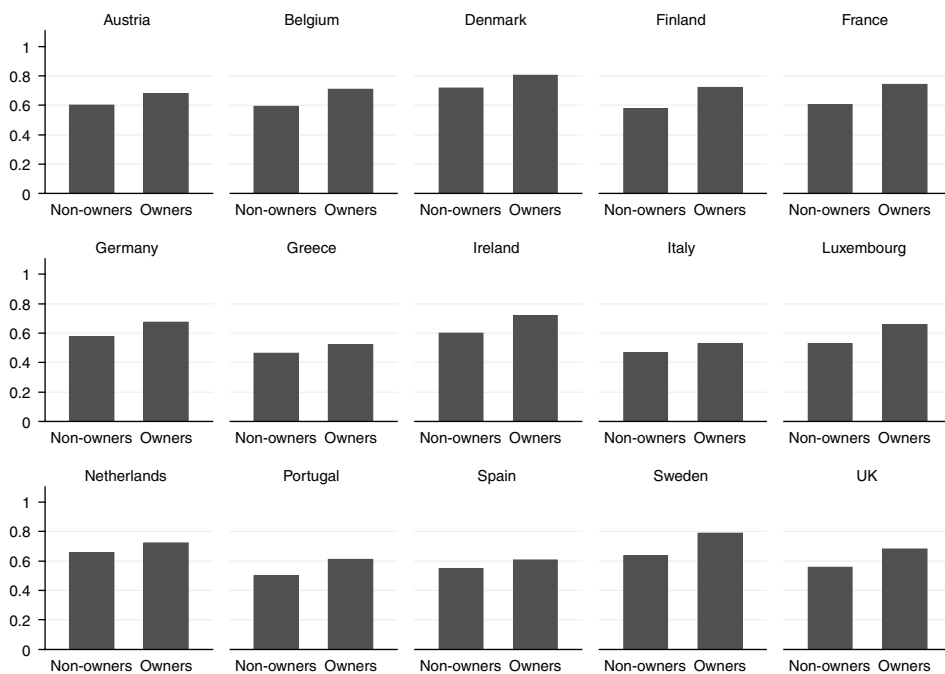


Figure 1. Average housing well-being by homeownership. *Source:* EU-SILC, wave 2009.

The two classic clusters based on Esping-Andersen’s original construction, the social democratic cluster of Northern European countries and the Mediterranean cluster of Southern European countries spill over into the countries of the so-called ‘corporatist’ block, in line with the hypothesis that the Central European block is anything but homogeneous from the standpoint of housing conditions.

This scenario, though not justifying a clear rejection of the cumulative advantage hypothesis for ownership and well-being, nevertheless, introduces several points of interest which call for further scrutiny.

To investigate these differences, we chose to consider the household’s social class as a factor capable of shedding light on the phenomenon.

The hypothesis is that where there is a greater distance between the two conditions, a class discriminant may be at work.

We know from the studies discussed above that the tangible and intangible distribution of resources has a major impact on homeownership and how it is accessed (Kurz & Blossfeld, 2004). It is thus necessary to determine whether this relationship can be extended to housing well-being, which should depend on social quality and urban policies, rather than on ownership.

As Figure 2 shows, social class is, with the sole exception of Greece, associated with ownership; it is also associated with housing well-being, but less clearly. In most countries, as can also be seen, the percentage of households who live in comfortable housing is higher on average than the percentage of homeowners, and the numbers are similar for all classes.

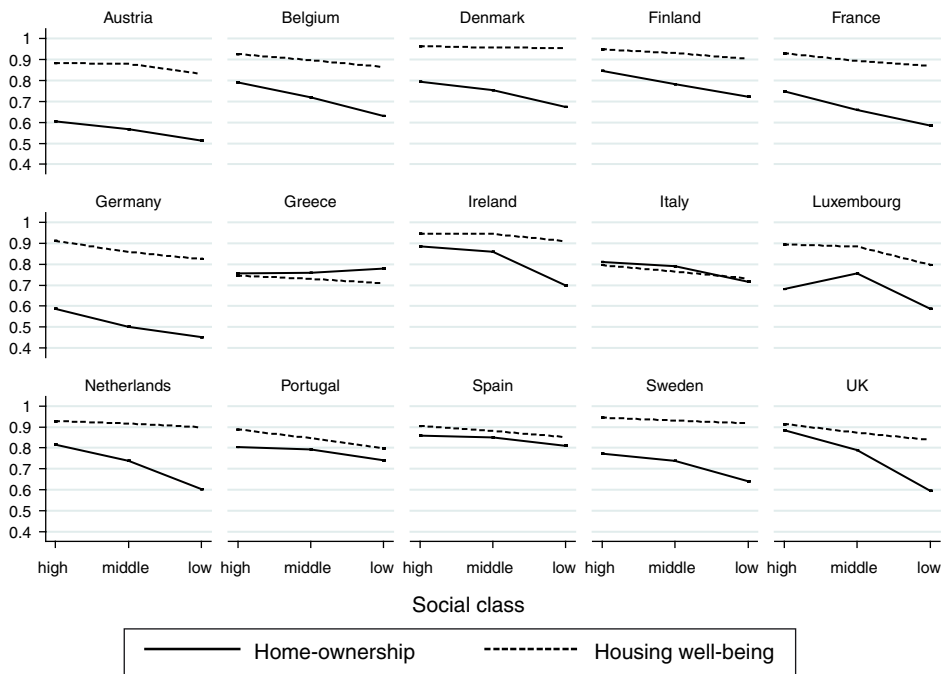


Figure 2. Home-ownership and housing well-being by social class. Source: EU-SILC, wave 2009.

In the Southern European countries, however, the distance between the two curves for tenure and well-being is smaller, and in cases such as Italy, it almost disappears.

It would appear that in the case of Southern European countries, ownership, which depends on social class, is in turn necessary for housing well-being.

If we also consider the cut-off points between the upper, middle and lower social classes, we see that in the UK and Ireland, more than in other countries, lower-class households are much less likely to be homeowners than middle- and upper-class households.

In this case, it could be conjectured that the middle and upper classes have the privilege of combining ownership plus well-being, unlike the lower class. In reality, these data, in their ecological distribution, do not allow us to draw conclusions in this regard. A subsequent step is thus required: it is necessary to consider the two variables of household inequality jointly and analyse them at the micro or individual level.

It should be mentioned that the data given in [Figure 2](#) refer to a subset of the examined population. As the relationship between social class and housing conditions is sensitive to household composition and age, it was decided to restrict analysis to a subset of the population consisting of couples with or without children between 25 and 59 years old, with a maximum age difference of 10 years between the partners.⁶ This group, in the middle of their life course (when housing choices can be regarded as consolidated) also represents the demographic, familial and social heart of today's Europe.

But let us proceed in order, starting from the first step in the analysis, that is the ownership/well-being combination throughout Europe.

The first thing to be noted is that the ownership/housing well-being combination is the modal condition for this population. This combination is most widespread in the Scandinavian countries, together with the Netherlands and Ireland. At the opposite end, we find Greece, Italy, Germany, Luxembourg and Austria. The Scandinavian countries and the Netherlands are always in the top ranks of housing quality. The Southern and Central European countries are more rarely found in these ranks, and furthermore less en bloc.

Our data show that even in the Southern European countries, a sizeable proportion of homeowners live in conditions of housing deprivation. These data provide further support for the idea that ownership does not automatically bring about housing well-being.

We will now move on to the second step: the relationship between well-being and social class. In this connection, we estimated a simple logistic regression model of the probability of homeownership with high living standards, as compared to the other conditions.⁷

[Figure 3](#) shows the average percentage differences between upper-class households and households belonging to the middle (*right side*) and lower classes (*left side*).

The housing advantage of the upper class over the lower class is quite clear. In all European countries, these advantages range from an average of around 10 percentage points up to approximately 20 percentage points in the UK, Ireland and France.

The presence of the UK and Ireland, countries in which the market-driven homeownership model is dominant (Poggio, 2006), is only to be expected. Much more surprising is the fact that this group includes France, which is often an outlier country, and not only as regards housing.

As for the differences between the upper and middle classes, the scenario here is more heterogeneous. Upper-class households still have an advantage over the middle class in the UK, France and Finland, and, though less markedly, in Germany. The estimates in the other countries, though highly uncertain, suggest that middle-class households share

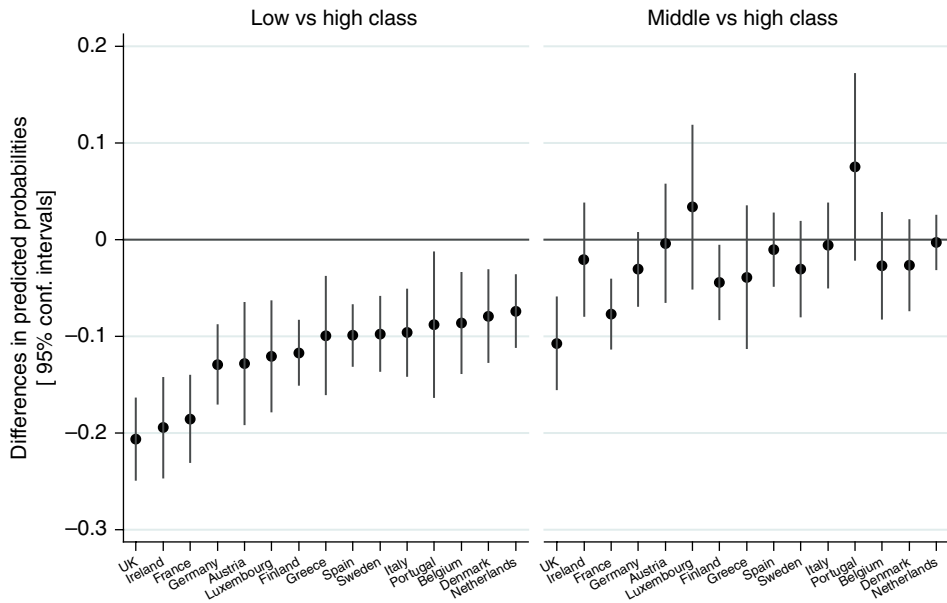


Figure 3. Logistic regression model of the probability of living in homeownership with housing well-being by social class. *Source:* EU-SILC, wave 2009.

probabilities of homeownership and living standards that are similar to those of the lower class. The case of Portugal is noteworthy, as here the relationship between the two classes is reversed and the middle classes have a higher probability of well-being than the upper classes.

What emerges is a Europe of upper classes that ‘keep their distance’ from the middle and working class as regards access to ownership and/or housing well-being.

The considerations concerning the relationship with the middle classes, in any case, merit further attention, in view of its internal heterogeneity both in terms of employment and from the standpoint of lifestyles (Negri & Filandri, 2010).

The three-category class model we adopted, however, does not lend itself to investigating this picture in depth. It is, nevertheless, plausible that employing a finer-grained analysis approach in certain countries such as Italy would be useful in revealing crucial differences within the middle class, such as the sizable ones we know to exist between the white-collar middle class and the agricultural and urban lower middle classes (Bagnasco, 2008).

The middle and upper classes’ distance from the lower class, in any case, could be linked to the fact that lower-class households are known to be less likely to be homeowners.

To determine whether this is true, further analysis was carried out with a second logistic regression model of the probability of having high or low living standards. This model was estimated only for homeownership households.⁸

As Figure 4 shows, the upper class continues to have an advantage over the lower class in nearly all European countries.

Essentially, this means that being a homeowner is not sufficient to guarantee housing well-being unless the family also occupies a medium-high position in the social strata. As

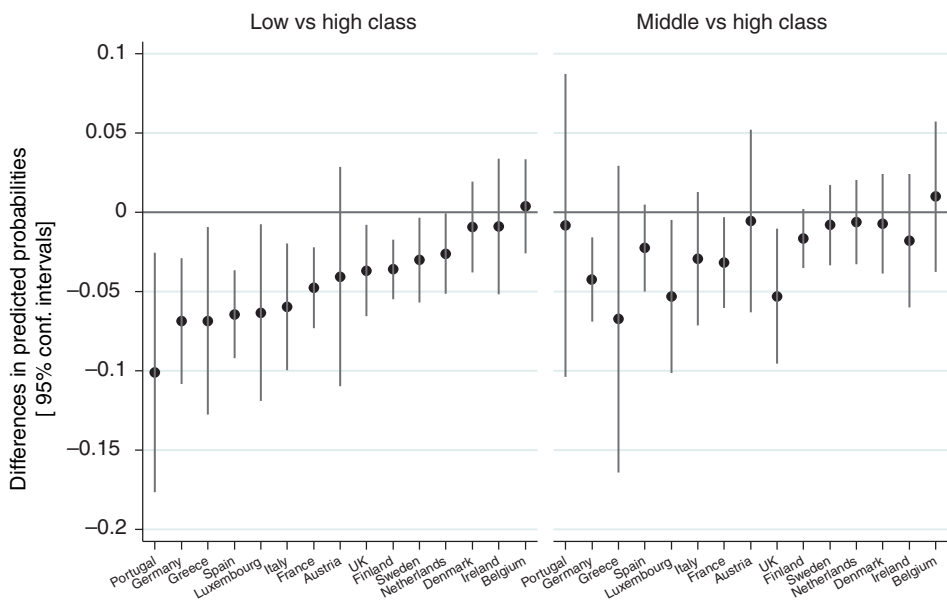


Figure 4. Logistic regression model of the probability of living with housing well-being among homeowners by social class. *Source:* EU-SILC, wave 2009.

a trade-off, accessing homeownership for certain households may thus involve accepting economic burdens, overcrowding, housing inadequacy and living in a bad neighbourhood. The only exceptions are Denmark, Ireland and Belgium, as well as Austria, though the estimates for the latter are highly uncertain.

For the relationship between upper-class and middle-class households, we continue to see considerable uncertainty. Here again, it would be advisable to use a finer-grained analysis. In any case, our data show that in some countries the upper class also has an advantage over the middle class. Specifically, we can say that this is true of Germany, Luxembourg, France and the UK, and, though with a certain amount of caution, of Finland, Spain and Italy.

Conclusions and Next Steps for Research

In this paper we investigated the relationship between social class homeownership and housing well-being. Our idea was to determine whether the huge rise in homeownership in Europe has been matched by a parallel increase in housing well-being. In reality, these two dimensions do not always coincide.

In the first place, then, the hypothesis of a cumulative advantage between ownership and well-being is to be taken with a certain degree of caution: homeownership seems to be neither a necessary nor sufficient condition for higher living standards throughout Europe.

By introducing social class as a key variable for understanding housing inequalities, we found that households of higher social class have a higher probability of homeownership with high living standards than middle- and lower-class households in all countries considered. In other words, there is a directly proportional relationship between social class and housing conditions referring to both ownership and well-being.

Moving to the micro-level, our models confirm the advantage of the higher classes. As for the middle class, it seems not to have a distinguished position in terms of housing inequalities over the other two classes. This cannot be commented, however, *tout court*, but reminds us of the need for a next step disaggregated analysis specifically focused on this class, which contains a well-known heterogeneity. We then found out that only upper-middle-class households are in housing well-being among the owners.

Second, the hypothesis of the role of social class in the crowding-out scenario (the more access to housing is regulated by the state, the less influence social class will have on housing circumstances) is substantially confirmed. In fact, the role of social class is relevant in all European countries on both ownership and well-being. Also, in the scenario where homeownership is the cornerstone, institutionally promoted, of welfare (crowding-in), it does not prevent the reproduction of social inequalities in the two main aspects of housing.

From this perspective, at least two further research steps are in order. The first would be to observe the entire range of combinations of tenure and well-being (i.e. social renting and well-being, private renting and well-being). The second step would be to consider the more precise relationship between tangible resources and family preferences in shaping housing circumstances in Europe. The first would be to investigate deeper the housing tenure of the middle class which contains everywhere a well-known heterogeneity from petty bourgeoisie to intermediate white-collar workers. Taking this perspective, the second step could be to analyse the process of acquiring and maintaining homeownership. Are different channels of access to the property (inheritance, savings, mortgages) associated in the same way with the housing well-being?

Notes

- ¹ In defining housing well-being, we consider four out of the five indicators (structural aspects) used by Palvarini and Pavolini. Further details are provided in the Data and Methodology section.
- ² The EU-SILC project was already under way in 2003 in seven countries (Belgium, Norway, Greece, Luxembourg, Austria, Denmark and Ireland). However, it was only in 2004 that the project was officially launched in 15 countries (Austria, Belgium, Denmark, Estonia, Finland, France, Greece, Ireland, Italy, Luxembourg, Norway, Portugal, Romania, Spain and Sweden). In 2005, EU-SILC reached its full extension with the 25 Member States (EU-25), plus Norway and Iceland.
- ³ EU-SILC focuses mainly on income. However, detailed information on housing conditions is also obtained, throughout common concepts and classifications aimed at maximizing comparability of the information produced. For more information about data comparability, see Verma & Betti (2010).
- ⁴ Unlike Palvarini and Pavolini, we used only four indicators, creating a unique measure for all countries. The fifth indicator is the stable and legitimate use of the home. We could not consider this indicator in the index of well-being because our analysis is only focused on homeownership.
- ⁵ For further details, see Jungblut (2006).
- ⁶ This choice of subsample was dictated by the advisability of estimating a model controlled for family characteristics. Couples of middle age with no other adult family members were considered because they are statistically the most numerous households and they are also in the middle of their housing career.
- ⁷ The models were controlled for number of earners (dual-earner and non-dual-earner couples), type of income (self-employment/employment), number of children (none, one, two or more), family age (both partners under 40) and degree of urbanization (high, medium, low).
- ⁸ Here again, the models were controlled for number of earners (dual-earner and non dual-earner couples), presence of at least one self-employed worker, number of children (none, one, two or more), family age (both partners under 40) and degree of urbanization (high, medium, low).

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