Homeownership and Left-Right Orientation

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Abstract

In this thesis I provide Swedish evidence suggesting that homeownership affects left-right orientation, a dimension that structures politics to a large extent in this country. While homeownership is a largely omitted variable in studies on political views, the home one owns is the most important asset of many Swedes today. I thus expect it to affect political views via its economic value. Using ordered logistic regression on survey data from 2012, I find that homeownership is indeed associated with a more rightist, or less leftist, political orientation. Drawing on the notion of egotropy, i.e. that private economic circumstances influence political views, I unveil a price pattern which strengthens the causal theory: the association between homeownership and a rightist orientation is stronger in areas where house-prices are higher. I also find that homeownership accounts for some of the loosening up of the relationship between left-right orientation and class, as the relationship is driven by some otherwise leftist class groups, and, relatedly, that it is driven by people who preferred parties in opposition to the 2006-2014 right-wing government. Moreover, the relationship with left-right orientation is reflected in certain issue preferences and in party preferences.

Key words: homeownership, left-right orientation, egotropy, political preferences, assets

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# Table of contents

1 Introduction.................................................................................................................1

1.1 Motivation..............................................................................................................3
1.2 Scope.....................................................................................................................4

2 Theory..........................................................................................................................7

2.1 Left-Right orientation, Preferences, and the Welfare-State..............................7
2.2 Socioeconomic Variables and Preferences..............................................................8
2.3 Homeownership and Left-Right Orientation: The Literature.............................10
   2.3.1 Macro-Level Studies......................................................................................11
   2.3.2 Micro-Level Studies......................................................................................12
2.4 Preference Formation and Homeownership: A Mechanism...............................15
2.5 Summing Up.........................................................................................................18

3 Methodological Matters..............................................................................................20

3.1 Research Design ..................................................................................................20
3.2 Data.......................................................................................................................21
3.3 Models and Estimation.........................................................................................22
3.4 Remaining Concerns............................................................................................24

4 Homeownership and Left-Right Orientation.............................................................27

4.1 Main Results.........................................................................................................27
   4.1.1 Summer-House Ownership as a Potential Confounder................................31
4.2 Regional Variation.................................................................................................32
4.3 Class Differences..................................................................................................35
4.4 Differences According to Party Preferences.......................................................37
4.5 Alternative Dependent Variables........................................................................38
   4.5.1 Specific Issue Preferences............................................................................39
   4.5.2 Party Preferences..........................................................................................41

5 Discussion....................................................................................................................43

5.1 General Assessment..............................................................................................43
5.2 Size of the Relationship: Lack of Reference Points............................................44
5.3 Group-Specific Differences..................................................................................45
5.4 Party Preferences and Political Implications.......................................................46

6 References....................................................................................................................48
6.1 Data .......................................................................................................................48
6.2 Public Statistics ....................................................................................................48
6.3 Literature .............................................................................................................49

Appendix ....................................................................................................................57
1 Introduction

This thesis concerns the relationship between homeownership and left-right orientation. An on-going discussion among scholars concerns possible ways in which changes in the rate of homeownership is causally related to welfare state policy changes and also to changes in the electorate. At least since the 1990s, homeownership in most Western European welfare states has increased, while public spending on welfare state services and social security has decreased. Many studies suggest that these outcomes are (negatively) correlated over this period among most, if not all, welfare states of the Western type (Castles, 1998; 2005; Kemeny, 2001; 2005a; Malpass, 2007; Stamsö, 2010; Doling & Horsewood, 2003; 2005; 2011; Conley & Gifford, 2006).

But as some scholars recognize (Doling & Horsewood, 2003; cf. Jones et al, 2007:130; Dewilde & Raeymaeckers, 2008:807), research on the relationship between aggregate political outcomes and the housing stock is based on individual-level (or micro-level) mechanisms that are rarely studied in their own right. Instead, macro-level outcomes are based on speculations about the behavior of politicians and voters (cf. Rehm, 2009:855f): scholars hypothesize, but never show, that homeowners have systematically different political views on matters related to the welfare state. Specifically, they argue that homeownership entails political views which make one more amenable to rightist policies on issues such as redistribution and privatization.

A recent study (Ansell, 2014) picks up on the lack of individual-level studies that relate political orientation to homeownership. It confirms these conjectures for the US, Britain, and Europe in general. Ansell draws on the understanding that a home is not only a consumption good but also an asset from which wealth can be extracted. Arguing that homeowners will demand less from government policies when their financial situation improves, he finds that house-price increases cause homeowners to hold more rightist preferences. In turn, price increases are associated with more rightist policies when right-wing parties are in office in countries with high rates of homeownership (above the sample median of 62%). Outside Britain and the US, however, I am not aware of any country-specific studies that explore differences in political orientation between homeowners and tenants that allow for inference regarding the whole population.

For Sweden, casual observations suggest that the negative relationship between homeownership and social spending exists. But more importantly for the present purpose, aggregate quantities suggest that there is cause for an empirical exploration of the relationship between homeownership and political orientations:

1 Common welfare state measures suggest changes compatible with the macro-relationship between homeownership and welfare state spending. They include a decreased public spending as share of GDP (Statistics Sweden a) or as share of the population (Ankarloo, 2008), and tightened criteria to qualify for social security payments (Blomqvist, 2008). These aggregate outcomes or changes will remain outside the scope of the thesis, however.
the share of owned homes has increased from 59% in 1990 to 64% in 2012 (Statistics Sweden b), which makes Sweden a country with a high rate of home-ownership in Ansell’s definition. Moreover, the home is arguably the most valuable financial asset to most households (Boverket, 2009) and on average, prices have risen for around 20 years (Bank of International Settlements, 2015). Additionally, right-wing winds are blowing at least since the turn of the millennium, if not the 1990s, both in terms of decreased left-party voting (Statistics Sweden c), and related to this, but more importantly for this thesis, in terms of an increasing share of people placing themselves to the right on a left-right scale (Oscarsson & Holmberg, 2009; 2011:68).

Like for other welfare states, research linking political orientations to socio-economic factors using Swedish data seems to have ignored the role of home-ownership. To my knowledge, the most recent study on political orientation that considers tenure form (i.e. ownership or tenancy) as an independent variable is Svallfors (1999). He uses data from the beginning of the 1990s and finds no consistent differences in welfare state attitudes between homeowners and tenants. Arguably, this was at a time when homeownership could be expected to be of lesser relevance for political orientation. In the light of more recent academic debates and findings, primarily by Ansell, and considering that Sweden in the last 20 years has been characterized by rising house-prices, credit market deregulations, low interest rates, tax and credit-rule changes regarding tenure forms, right to buy policies, higher structural unemployment and notions of permanent austerity (i.e. fiscal pressures towards welfare state retrenchment; Pierson, 1998:554), I expect that tenure form matters for individual life circumstances today (cf. Jones et al, 2007:129-136). It is thus of interest to explore if a hitherto unnoticed difference in political views according to tenure form can be found in Sweden. Hence, I ask if homeownership is associated with political orientation. In particular, I draw on the fact that the left-right dimension is of great salience and relevance in Sweden, both to citizens and to parties, and that it structures attitudes towards the welfare state (Oscarsson & Holmberg, 2013a:227ff; Mair, 2007:207ff). The main research question is:

*Is there a relationship between homeownership and left-right orientation in Sweden?*

I delve into the relationship in some detail. After having answered the main question, I follow Ansell and explore if the relationship is stronger in regions where house-prices are higher. If this is so, it is consistent with homeownership relating to left-right orientation through its effect on private economic circumstances. Secondly, I investigate if the relationship is driven by any particular class-group(s) by considering class-group-specific effects. Specifically, I ask if

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2 The tenure form *Bostadsrätt* (cooperative apartment) is seen as a form of ownership. Admittedly, data on the share of people living in the different tenure forms is more appropriate. Trends in the housing stock should nonetheless reflect trends in tenure. A survey from Statistics Sweden suggests that between 2004 and 2013, the share of Swedes living classed as tenants, or renters, decreased from around 34.6 to 31.3% and the share of home owners increased from around 63.4% to 66.5% (Statistics Sweden d).

3 Discussions and analyses of Swedish housing policy changes and differences in political treatment of tenure forms are provided in Christophers (2013), Lindbom (2001a; b), Persson (2001) and Bengtsson (2013). See also Werne (2010).
homeownership is associated with a more rightist orientation among certain leftist-oriented class groups as suggested by Dunleavy (1979). This is of further interest given an apparent weakening of the relationship between class and political orientation in Sweden (Oskarson, 1994; Evans, 1999; 2000; Oscarsson & Holmberg, 2013a:83ff). Thirdly, inspired by recent research suggesting that people with different political baseline affiliations react differently to changed economic circumstances (Margalit, 2013; Karadja et al, 2014), I consider differences between groups that prefer different political parties. I formulate these further investigations in the form of hypotheses at the end of the theory chapter (section 2.4).

My focus on the left-right scale is motivated not only by its importance in Sweden, but also by the fact that the literature does not suggest if a specific issue preference should be given primacy in the analysis. Still, since left-right position is correlated with preferences on more specific welfare state related issues of high salience I consider these too. And I consider if the relationship between homeownership and left-right orientation is reflected in party preferences. This is because the Swedish political landscape remains highly structured around the left-right dimension and parties are perceived to hold different positions towards left-right-related issues (Oscarsson & Holmberg, 2013a:227ff). In order to make a claim that is generalizable to the entire Swedish population, I rely on a statistical analysis of survey data.

The thesis is structured as follows. First, I consider the theoretical and social relevance of the question, and I narrow down the scope so as to principally concern the relationship between political orientations and tenure form in Sweden today. In the following theory chapter, I mention how left-right orientation may relate to more specific issue and party preferences in Sweden, my appending dependent variables. I then discuss alternative independent variables in the preference-literature and note that homeownership has been omitted but merits attention. I then discuss the theoretical and empirical findings on homeownership and political views. Thereafter, I turn to preference formation and discuss how homeownership may affect political views. In the following methods chapter, I discuss research design, survey data choice, models, interpretations, and some factors which will be hard to deal with outright. The analysis comes thereafter, followed by a discussion on the findings and suggestions for further research.

1.1 Motivation

The potential relevance of the study is easily made clear. I have already situated the study in a current debate about the relationship between aggregate political outcomes, where homeowners are argued (and recently found) to hold more rightist views which in turn affects policy. Thus the study can be thought of as providing further insights into the plausibility of the causal macro-relationship by investigating an individual-level mechanism in the Swedish case (cf. Hedström & Swedberg, 1998).
Furthermore, and more in line with my scope, I argue that homeownership is a factor that has been neglected in studies on political views. Not least given increases in ownership rates and house-prices the last 20 years, the theoretical relevance of homeownership should be empirically explored. And since it could help understanding reorientations among the electorate, a relationship between tenure form and political orientation is interesting regardless of the nature of its role for macro-level outcomes. Indeed, homeownership could help explaining a rightwards displacement within the electorate found by Oscarsson & Holmberg (2013a:223; cf. Schwartz & Seabrooke, 2008:242f).

Additionally, at least in Sweden, the socioeconomic factor that has received the most attention in studies that try to relate political orientations to life circumstances is arguably class-position (Oskarson et al, 2010). This relationship seems to be changing or weakening (Oskarson, 1994; Evans; 1999; 2000; Oscarsson & Holmberg, 2013a). If homeownership is associated with more rightist orientations among traditionally leftist class groups in particular, it could also account for some of the changing or weakening relationship between class and political views.

Finally, an independent link between the large group of homeowners and left-right orientation in Sweden could not only help explaining an underlying displacement of the electorate. It could also matter for policy, as the political orientations of the public may influence political decisions through votes, polling, etc. (Owens & Paddula, 2013:1104; Rehm et al, 2012:387; Lynch & Myrskylä, 2009:1094). In Sweden, this is especially the case for issues pertaining to left-right orientation, related specific (welfare state) issues and party preferences. Left-right orientation still structures Swedish opinion and party politics to a great extent and it concerns fundamental views on what society should be like which guide political behavior (Berglund & Oskarson, 2010:184). Right-wing winds benefit right-wing parties, left-wing winds benefit left-wing parties (Oscarsson & Holmberg, 2013a:222; who even characterize the left-right dimension, or conflict, as an underlying super-issue). But the theoretical relationship between homeowners and policy outcomes easily returns us to the macro-relationship. Empirically, this is outside my scope, as claimed in the next section.

1.2 Scope

I will refer to the negative correlation between homeownership and welfare state spending as the macro-relationship throughout the thesis. The individual-level focus implies that this relationship will be kept in the background. I do not aim to empirically assess the importance of homeowners for welfare state retrenchment or explain why homeownership rates in Sweden have increased. In the Swedish case, I take macro-relationship questions concerning tenure form rates and welfare state spending to be convincingly adressed in an albeit indirect way (see footnote 3 above for some sources). And it would in all instances require a larger project. I merely note that if homeownership is associated with more rightist political
orientations, then this is \textit{consistent} with homeownership contributing to, or facilitating, the implementation of welfare state retrenchment.

The exploration of the political orientation of citizens implies that the role of politicians will be kept in the background too. Politicians may try to shape preferences and (perceived) interests by drawing on differences between groups to accentuate certain divisions while glossing over others, perhaps in order to create alliances of support for their policies (Goldthorpe & Marshall, 1993; Kriesi, 1998; Korpi & Palme, 2003:431). A larger study that followed changes in political orientation associated with tenure form over time would have to consider how politicians treat tenure forms, their motives for the treatment (the supply side of politics), and how all this interacts with citizens (the demand side of politics) and other welfare state policies (Hout, 1999:317; Oscarsson & Holmberg, 2004:50; cf. Müller, 1999:141, 146). This would allow an assessment of tenure form as a potential source of a political cleavage. I will restrict myself to making some observations on the theoretical importance of homeownership for life circumstances. This restriction is appropriate, since even if theory and analysis are based on the differences between tenants and homeowners, it is homeownership that is in focus, and I will use the terms homeownership and tenure form interchangeably. My focus on homeownership is natural since the theory attributes the differences in political orientation related to tenure forms to the asset value of homes, but also given the background provided by the macro-level research. Furthermore, a more complete consideration of tenure forms would arguably require me to consider how these are treated politically, and substantially change the scope.

Just like macro-level scholars argue that homeownership and welfare state outcomes are causally linked (e.g. Doling & Horsewood, 2003; 2005; 2011; Castles, 2005), the underlying theory linking tenure form or homeownership to political views is causal: There are theoretical reasons why homeownership should affect preferences. This implies that there is at least one mechanism linking homeownership and left-right orientation. Following Ansell (2014) I will exploit an observable implication to explore one such mechanism related to the asset value of homes. And if the relationship shows a pattern consistent with this mechanism, i.e. if the difference in left-right orientation between tenants and homeowners is larger where house-prices are higher (and this is not because tenants place themselves more to the left in these areas), then this strengthens the causal claim.

But the (sub-individual) mechanism itself, which links homeownership to left-right orientation, will not be tested. Indeed, the aim to explore if the relationship is consistent with the mechanism is best understood as being guided by a heuristic that is not under study. It is important to "recognize that mechanisms [...] usually are unobserved analytical constructs" (Hedström & Swedberg, 1998:13) that

\footnote{Thus, I will argue that the difference in political orientation according to tenure form relates to the economic situation of homeowners, and thus to the asset value of houses. Instead, it is possible to see homeownership (and house values) as a way through which asset endowments affect political views. To me, this is a question of entry into the literature rather than a question of right or wrong perspective. And in both instances the mechanism relates to the economic situation of the individual. It would surely be interesting to consider other assets in the analysis, but it falls outside the scope.}
strengthen a social theory and the plausibility of the empirical results. And if results are consistent with such a story, I will still not try to explain empirically why the asset value of houses helps explaining the effect of homeownership on political orientation (cf. Teorell & Svensson, 2007:246ff). Related to this, in the theory chapter, I try to steer clear of more ontological-laden sub-individual speculation concerning the relationship between economic circumstances and political orientation (cf. ibid:256f).

Lastly, it should be noted that I investigate a relationship between homeownership and political orientation or preferences. It is not argued that homeownership or housing stock changes provide a full explanation of right-wing winds, election results, changes in the (Swedish) welfare state, or changing left-right orientations among class groups. I only posit that homeownership may have some explanatory power (cf. Teorell & Svensson, 2007:204f), the wider implications and effects of which will have to be pursued elsewhere. But of course, I will relate homeownership to theories that discuss how preferences for welfare state-related issues and left-right orientation connect with other variables that may affect life circumstances. This situates the thesis theoretically and introduces some variables that should be included as controls in the analysis. These topics follow next.
2 Theory

This thesis connects to research on the relationship between socioeconomic characteristics and political views. I start this chapter by discussing how left-right orientation can be seen to relate to particular views, party preferences and voting (in Sweden). This serves to understand the relationship between my main dependent variable, i.e. left-right orientation, and my appending dependent variables, i.e. issue and party preferences. I then touch upon socioeconomic variables that have received more attention in research on political views, before turning to the relatively neglected variable that is homeownership. Thereafter, I discuss studies relating homeownership to preferences. Finally, I discuss a mechanism between homeownership and political views before summarizing the observations that will guide the analysis.

2.1 Left-Right orientation, Preferences, and the Welfare-State

It is worth discussing how left-right orientation relates to specific issue and party preferences. A common starting point of studies about political behavior and views is that these are (in part) formed by one's daily experiences and life circumstances (Oscarsson & Holmberg, 2013a:71f). Thus, scholars often relate left-right orientation, issue preferences, party preferences, and voting to structural factors which determine life circumstances. Specifically, these factors are taken to affect one's general orientation, specific views and, in turn, party choice. Thus, views and preferences are theorized to come between the explanatory background variables and party choice. For instance, Oscarsson & Holmberg (2013a) discuss the same background variables to explain voting as Kumlin (2007) does in his literature review on welfare state preferences and issue preferences pertaining to the welfare state, and as Berglund & Oskarson (2010) do to explain left-right position. This also illustrates that it is natural that I consider research concerning all these dependent variables.

This is not to deny explanations referring to factors such as party competence and leadership. But it would be harder to directly link homeownership to such factors, and arguably, they require the inclusion of the supply side of politics.
Left-right orientation is thus correlated with specific issue preferences pertaining to the welfare state (cf. Mair, 2007; who claim, but do not criticize, that some scholars take left-right orientation to capture welfare state preferences generally). And since left-right orientation relates to more than one issue preference, it is conceivable that it in some sense is more underlying than these. Specific issue preferences, in turn, concern redistribution, taxes, and the range and (especially) depth of related policies concerning matters such as social security, benefits, education, and healthcare. They also concern the preferred boundary between public and private, and the scope of government intervention in market processes and outcomes (Kumlin 2007; Oscarsson & Holmberg, 2013a:222-230; 368ff). These somewhat more underlying orientations and preferences, in turn, influence party preferences and choice (Berglund & Oskarson, 2010; Oscarsson & Holmberg, 2013a:366ff; cf. Svallfors, 1999:209), which both seem very close to each other empirically (Dalton, 2008:172ff; Güveli et al, 2007:136; Oesch, 2008:335f).

Although the relationship and the direction described above seem to have support from many political scientists, it is hardly unchallenged. But for a causal theory of homeownership and political orientation, the most important thing is that causality does not run from the latter to the former. I defer a discussion about this to section 3.4. At all events, life circumstances affect one's broader left-right orientation, more narrowly defined welfare state related issue preferences, party preferences and vote. And all these things structure (Swedish) politics to a large extent (Kumlin, 2007; Mair, 2007; Oscarsson & Holmberg, 2013a:222f). The correlation between these factors is not perfect, however. This suggests that their relationship to homeownership should differ to some extent (because of personal experiences that affects one's preferences for a specific policy but not one's broader orientation, particular party strategies, local or idiosyncratic events, etc). But naturally, completely divergent results would suggest that something is odd. I will remind the reader about this seemingly plain observation when I consider specific preferences in the analysis.

2.2 Socioeconomic Variables and Preferences

I now discuss specific variables that affect political views through their influence on life-circumstances. The discussion serves to introduce homeownership as such a variable, which has received relatively little attention, but also other factors that I include as control variables in the analysis to come.

Depending on the context, researchers have explored the role of variables such as ethnicity, gender, religion and region of residence for preferences. Among socioeconomic factors, the role of class and factors relating to one's labor market

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6For instance, Brown-Iannuzzi et al (2015) claim that ideological orientation sometimes serves as ex-post justification of political behavior. But on salient issues Carsey & Layman (2006) claim that views affect party choice more often than the other way around.

7To say that left-right orientation structures Swedish politics to a large extent is not to deny the existence of coexisting dimensions, such as the libertarian-authoritarian (Berglund & Oskarson, 2010).
position seems to have received most of the attention. In Sweden, class seems to have been the dominant explanatory factor for political preferences, and differences in left-right orientation in particular have often been seen as best understood as a class division or conflict (ibid:74; cf. Mair, 2007:213; Berglund & Oskarson, 2010).

The academic discussion concerning class voting and preferences, how it relates to other variables, and to views on the welfare state, is large. At the individual level, political scientists and sociologists operationalize class by occupational position in the labor market (Bengtsson, 2010; Goldthorpe, 2012:204f; Scott 1994; 2002). Variables that relate to class, and which potentially explain away or mediate effects on political preferences, should be separated from this class definition and conceptualized as individual attributes. These attributes include labor income, economic risk and prospects, education, group identification, social status, parental class, and consumption habits, etc. The separation avoids the risk of letting class become everything, and it renders empirical variation theoretically visible and meaningful to study. This means that different variables should be analyzed in their own right, and in interaction with other variables, and that they are not to be used interchangeably. And, at least as long as we allow that people are able to see themselves from different perspectives, these variables may under some circumstances (for instance, if political discourse mobilizes around them) affect preferences and make salient other structural divisions.

Gender and sector of employment (public or private) have been suggested as potential sources of division which cross-cut class structures, and which pertain to left-right placement and preferences which I will focus upon (ibid; Svalfors, 1999:206f). It is suggested that public sector employees, who are often women, have a rational interest in an extensive public sector and thus higher taxes and welfare state spending. It is also suggested that women are socialized into caring for others, which would make them positive towards inequality-reducing welfare state policies. Both rationality and socialization are two mechanisms used to explain relationships between socioeconomic variables and political views. Findings are often consistent with both (cf. Weakliem & Heath, 1995), and I return to these concepts of preference formation when I discuss the mechanism relating homeownership to left-right orientation in section 2.4.

Homeownership has been proposed as another potential source of division (Svalfors, 1999; Dunleavy, 1979), or perhaps attribute, that cross-cuts class. To start with, homeownership is found within all class groups. If it is associated with a rightwards orientation, this could accentuate the rightist views of traditional right-wing groups. Perhaps more importantly, people in more leftist, or middle oriented groups, may be pulled rightwards. Homeownership would then help explaining changing class patterns in preferences, such as the apparent weakening of the class-preference relationship in Sweden (Oskarson, 1994; Evans 1999; 2000). In the analysis, I will explore the cross-cutting effects of homeownership

\footnote{It also admits the view that social structures, at least in the form of relational class structures, are not all there is in the world. The existence of variation in attributes across individuals and class groups seems to allow for free agents.}
by considering the relationship between tenure form and political orientation in different class groups.

In Britain, homeownership has been an object of interest to political scientists and sociologists, perhaps because of particular housing policies and their relation to the political and institutional context. But in Sweden and elsewhere it seems to have received relatively casual attention in studies on political views of citizens. Not least its asset aspect has been neglected (Schwartz & Seabrooke, 2008). The omission is probably due to the traditionally salient role of labor market relationships and labor income for political mobilization and party conflict (Ansell, 2014; cf. Bengtsson, 2009), and as such quite natural. But in the wake of increased access to credit, cut welfare state spending and higher structural employment, assets play a larger role for economic circumstances in today’s welfare states (Ansell, 2012:532; Jones et al, 2007:129-136). And homes are arguably the most important financial asset to many Swedes (Boverket, 2009). Additionally, homeownership makes possible tax deductions and borrowing which may affect the perception of one’s situation even when they are not used. Furthermore, both homeownership rates and prices have risen the last 20 years (Statistics Sweden b; e; Bank of International Settlements, 2015). This suggests that it is important to consider the impact of a factor that is of potential relevance both to people and to society at large. It is time to discuss studies that involve the relationship between homeownership and political views. Symptomatically, recent studies concerning views in their own right are very few.

2.3 Homeownership and Left-Right Orientation: The Literature

Here, I discuss the literature on homeownership and political preferences. I pay attention to how studies find the two to relate, notably if the asset-aspect of housing is considered. I also touch upon to methods and material used to develop and test the theories, and I note findings or conjectures that my research design will allow me to explore.

I start with the researchers who are more concerned with the macro-relationship, with questions of how housing markets relate to welfare states, and with explaining variation in homeownership rates. At best, these researchers try to infer an individual-level mechanism in the form of individual perceptions, preferences and behavior from aggregated data (Doling & Horsewood, 2003:299-306). Even Schwartz & Seabrooke (2008), who call for a reassessment of the importance of housing as an asset in today's political economies, remain speculative about individual-level relationships. Because of this speculativeness I abstract from details which require quite precise assumptions, and focus the general picture. It will be seen that no specific issue preference is given primacy across scholars. This makes the more general left-right dimension a natural choice of dependent variable for the analysis. One may criticize the macro-level researchers for not
developing and testing their theories on both individual-level mechanisms and preferences. But it is of course not completely just to criticize the theories themselves for being under-developed, since the main aim of (most of) the researchers is elsewhere. After discussing macro-relationship researchers, I consider studies using individual-level data. Since these come more close to my thesis they get more room. Throughout, I relate the discussion to the analysis to come.

2.3.1 Macro-Level Studies

The sociologist Jim Kemeny (2001; 2005a) claims to be the first to suggest and observe a negative relationship between homeownership and welfare state spending. Preference differences between homeowners and renters seem important to Kemeny's theories about how housing links to aggregate outcomes, but for reasons that I have failed to identify he appears to take them as uncheckable. Moreover, he does not make a clear distinction between housing preferences and political preferences (even if the former depend on the political context, they remain beyond the scope of the thesis) and he seems concerned with both. Still, he argues (Kemeny, 2005a:65ff) that people will tend to opt for homeownership as a means to provide themselves with an asset to privately finance welfare state services, especially pensions, when the public schemes are perceived to deteriorate in quality. When one's home is sellable, or provides security that can be borrowed against on the capital-market, owners will be less likely to feel the need for taxation-funded provision of social security and redistribution. The home thus becomes a form of private insurance. Since retirees will need it more, and be better able to use it, its importance increases at retirement. Hence, all else equal, homeowners should be less inclined to prefer social insurance and redistribution than tenants since they perceive the need for it to be smaller. Unfortunately, data do not include questions on preferences for social insurance and redistribution outright. But the latter may be quite close to preferences for a reduced income gap, a variable I will consider.

Research on the macro-relationship has been taken up by Castles (1998; 2005), Conley & Gifford (2006), Doling & Horsewood (2003; 2005; 2011) and Stamsö (2010) who all use macro-level data on selected welfare states. The relationship seems well-established, except in southern Europe, but the direction of causality and its substantive importance elude. Doling & Horsewood (2011), recognizing the economic role of homeownership, find some evidence that between 1989 and 2003, increased house-prices predict cuts in public spending on pensions in some OECD countries. This is not the case for Sweden. Elsewhere (Doling & Horsewood, 2003), they find that rising house-prices is associated with earlier male retirement in the OECD. Relating this to Kemeny's theories, they assume that homeownership entails greater individual financial independence.

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9 I would prefer to say that people may become more inclined to perceive houses as assets. Kemeny is unclear about if he sees an individual's choice of tenure form as independent of housing policies and individual earnings.

10 Political and institutional factors, like the early reform of the Swedish pension system, would probably help understanding this.
from the welfare state as it allows for intertemporal redistribution of resources over the life-cycle (consumption smoothing). However, although their findings indicate that homes affect the economic circumstances of their owners, they remain quite suggestive about individual-level preferences (and behavior).

Van Gent (2011) and Malpass (2007) criticize Kemeny for neglecting politics. They can be classed among researchers who investigate the political-discursive moves of governments, especially in the UK, towards championing asset-based welfare (Gurney, 1999; Ronald, 2006; 2008; De Decker & DeWilde, 2010; Finlayson, 2009; Doling & Ronald, 2010a; b; Ronald & Doling, 2012; Watson, 2009; 2010). The idea behind asset-based welfare discourses is to make citizens more self-reliant, free market-friendly and both willing and able to finance welfare service consumption themselves. Thus a general policy aim is to affect mind-states and make people think of themselves as individual investors and investment-objects through information campaigns, etc. Housing plays a key role, and homeownership has been actively promoted as an important asset that should make people feel less dependent of the public sector and of public welfare, and more supportive of notions of individual property rights and responsibility. I will use the term **ontological independence** for this quite abstract idea of an ideological mechanism between homeownership and political views.11 Researchers seem to criticize these government strategies and discursive moves quite unanimously (though Seabrooke, 2010, has a slightly different perspective). But they rarely explore the individual-level effects of the policies on preference formation or on political orientation (a partial exception is De Decker & DeWilde, 2010, who conduct in-depth interviews; cf. Jones et al, 2007; Naumanen et al, 2012).

### 2.3.2 Micro-Level Studies

Among research that directly focuses individuals, I begin with an in-depth interview study concerning Sweden. Although the aim differs from mine, something I discuss further in the methods chapter, it touches aspects which relate to tenure form and preferences. I then consider studies which use survey data and statistical methods. Since homeownership is relatively neglected in preference studies, they are few. They include two Swedish studies, but foremost some research from Britain, where the debate about homeownership has been livelier. I conclude with a recent international study.

Andersson et al (2007) is to my knowing the only recent Swedish study which explores how housing relates to ways of thinking about potentially political issues. They conduct in-depth interviews where they analyze the views on housing of Swedish and Finnish homeowners (twenty per country) and tenants (ten per country) in one city in each country, sampling according to socioeconomic criteria. They do not overtly relate their findings to political preferences. In Sweden, they find that the choice of homeownership seems to be less of a normative and more of a practical issue. Here, tenants and homeowners equally

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11I see no way in which data would permit me to get at this quite abstract mechanism. Thus in relation to egotropy that I introduce in section 2.4, it will not play a major role in guiding the thesis.
associate their housing with security. People, especially owners who did not personally experience the housing market crash in the early 1990s, deem homeownership to have individual economic advantages in the long run (respondents recognize systemic uncertainties, but they do not immediately link them to themselves). Contrary to the Finnish, Swedish homeowners seem to think that it is acceptable to use the house to finance expenditures in case of need, and they could consider liquidating it after retirement. But somewhat confusingly, they claim not to see houses as nest-eggs, which Finnish homeowners do.

Oscarsson & Holmberg (2013a) are the leading researchers of the program for studies of Swedish electoral outcomes (Svensk valundersökning). They use survey data. Although traditionally more salient socioeconomic factors receive much more attention, the difference in right and left voting depending on tenure form has been reported for each election since 1976. Homeowners are always found more prone to vote for the right than tenants. The difference has steadily decreased over time, although an increase is registered for the 2010 elections. Note that their analyses on this point are strictly bivariate.

Remaining in Sweden, Svallfors (1999) explores the role of class for preferences over time with cross-sectional survey data from 1986 and 1992. Besides class, he considers gender, employment sector and homeownership as new sources of division. He posits that homeowners should support the welfare state since they are exposed to greater financial risk – the then quite recent housing crash may influence this reasoning. In his full model, he finds few, but seemingly contradictory, effects of homeownership on welfare state attitudinal indices. Compared to tenants, homeowners supported more public social spending in 1986, and more privately financed welfare in 1992. This seems to be the most recent multivariate study on preferences that include tenure form in Sweden. It should be noted that Svallfors does not consider house-price variations.

I now turn to international, mainly British, researchers. Dunleavy (1979) uses the concept of consumption sectors to derive a potential cleavage between people who use a private-individual mode of consumption and people who use a public-collective mode. Housing is an object that can be consumed in both modes and which is politically salient. I do not dare say if Dunleavy's arguments can be straightforwardly linked to the asset-aspect of housing and the economic situation of voters. Rather, he investigates both the demand and supply side of politics and argue that consumption modes form a new division in British society. He applies then-novel logistic regression to survey data from the 1974 British elections, and finds that private-individual consumption of housing significantly increases the likelihood to vote Conservative. The effect of a private-individual consumption mode thus reinforces class alignment among the upper middle class. On the working and lower middle-classes it has a cross-pressure effect: The labor market position of workers suggests a leftist orientation, but their ownership position suggests a rightist one.

I will pick up on this finding of cross-pressure by considering class-specific relationships between homeownership and left-right orientation. This serves to see if particular class groups drive the relationship, and it is of further interest in the light of the changing, or weakening, relationship between class and political views.
in Sweden (Evans, 1999; 2000; Oscarsson & Holmberg, 2013a). I will thus pay attention to whether homeowners in comparatively leftist class groups show a relatively strong association with a more rightist orientation. In Sweden, these class groups include miscellaneous white collar workers, service workers, workers with supervisory functions and other skilled or non-skilled workers (Bergström & Oskarson, 2012).

In an oft-cited project, Saunders (1990:ch. 4) argues that tenure form entails distinct economic interests. With survey data from three British (labor-led) towns he uses table analysis to find that homeownership seems to increase Conservative voting intention, at least in the lower middle, or intermediate, class. Thus once more, class-specific relationships are suggested. He also finds some evidence that purchasing one's former rental apartment affects voting intention in favor of the Conservatives. Using regression analysis, he finds no effect of tenure form on vote in a model that controls for class, but the coding and statistical techniques seem under-developed. Furthermore, he addresses Kemeny's theory. In table analysis, he finds some evidence that when confronted with the choice between higher taxes and better services or lower taxes and poorer services, homeowners are less opposed to tax cuts and welfare spending cuts than tenants. On specific policy areas, he finds ambivalent or counter-theoretical attitudes. Instead of stressing possible lack of representativity, the low number of observations (ca 350), or under-developed regression techniques, Kemeny (2001:63f) has replied that homeowners may not necessarily be against the idea of the welfare state. Rather, they are less resistant to cuts in a latent manner. It is questionable if Kemeny salvages the theory by precluding its testability on the micro-level.

Evans (1993) uses survey data to support his claim that the effect of class on Conservative or Labour party preference runs through one's perceived labor market prospects (expected income and promotion), more than through current income: Thinking one's own economic situation will improve could make one more skeptical of redistribution and collective solutions. He finds evidence of this, prospects cancel the effect of income. Moreover, he finds homeownership to have a significant positive effect on one's preferences for the Conservatives among older employees, and argues that homeownership relates more to one's current material situation as opposed to future labor market prospects. Unfortunately, he does not consider how homeownership itself relates to one's (non-labor market) financial position.

I now turn to the seemingly only recent study on homeownership and preferences (Ansell; 2014; cf. Ansell & Broz, 2013). Ansell argues that asset prices are of increasing importance for the economic circumstances of welfare state citizens (cf. Conley & Gifford, 2006:56f; Doling & Ford, 2007:116f). More explicitly than Kemeny, he draws on the argument that homeownership supplies the individual with an important asset to be sold or borrowed against on the capital-market as a substitute for social insurance, perhaps more so for pensions since retirement is easier to foresee and plan for than unemployment. He also

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12He omits class-tenure interactions that he himself proposes are central, and his three-group class coding seems crude. It is not entirely clear why class is included and why income is not. Actually, it is unclear if he wants to establish a tenure form relationship, or rather explain voting.
notes that households often expect prices to rise even when this expectation would seem irrational. He investigates preference differences according to tenure form, arguing that when house-prices (are expected to) rise, this tilts homeowner preferences rightward towards lower taxes and less redistribution. He uses panel survey data for the US (from 2000 and 2004) in combination with regional data on house-price changes, and for the UK (seven years between 1991 and 2006), where respondents are asked about their house value. He finds that house-prices substantially affect preferences for social security (in the US), for government responsibility for full employment and placement on an ideology index (in the UK) in the predicted way. Moreover, with pooled cross-sectional survey data for 29 countries from 2009, he finds rising house-prices to reduce support for redistributive policies, while homeownership itself is associated with increased support. Sweden is part of the pooled data, but country-specific relationships are not identified. Furthermore, he draws on Margalit (2013) and finds that leftist-oriented people seem insensitive (in the US) or less sensitive (in Europe) to changes in their personal economic circumstances. Instead, the effects of house-price changes are driven by rightist-oriented people. Finally, Ansell finds that house-prices affect welfare spending policies the most under right-wing governments in countries with high homeownership rates (above the median of 61.75%).

The study thus suggests that people with different baseline orientations may react differently to ownership and perhaps also that retirees respond differently to homeownership than workers (though Ansell does not explore this last point). But foremost, it suggests exploiting price variations to uncover a price mechanism between homeownership and preferences. (Unfortunately, Ansell does not show models where homeownership is included before controls for price changes, which would allow a better evaluation of this reasoning.) It is time to discuss this mechanism some more.

2.4 Preference Formation and Homeownership: A Mechanism

People act, variables do not. Thus it is important for a causal theory between two variables to include a, preferably testable, link or idea of about why the one affects the other (Hedström & Swedberg, 1998). Hence in this section, I relate homeownership to questions of preference formation. I briefly discuss the seemingly competing theories of rationality and socialization, and I note that the former seems to gain in popularity at the expense of the latter. But the discussion of socialization and rationality goes far beyond my scope. Instead, I merely posit that individual economic circumstances are likely to matter for political views (perhaps to different extents in groups with different baseline orientation). This leads to the asset-price mechanism linking homeownership to left-right orientation.
As the example from employment sector in section 2.2 suggests, it is conceivable that one could hold views because they are perceived to be in one's interest as well as because one identifies with a group of people who do so. Explanations of preference formation often evoke either some understanding of rationality or of socialization, or both (Oscarsson & Holmberg, 2013a:70ff). While socialization seems to have been the primary explanatory mechanism for political behavior some generations ago, some notion of rationality is now increasingly popular. In Sweden, a claim of increased subjective rational assessment seems to get support: It is increasingly common that respondents evoke issue voting, in practice left-right voting, and voting relating to party competence to explain their behavior while reasons such as habit have become more rare (ibid:70ff,180ff, 233ff). Additionally, it was seen above that some scholars argue that homeownership has individualizing effects (Kemeny, 2001), not least through public homeownership discourses which aim to make homeowners act as rational economic agents (Malpass, 2008; van Gent, 2011; Finlayson, 2009). It would of course be tempting to fit homeownership with some notion of increasing individual-rational preference formation.

But while homeownership may have individualizing effects, which could give room for some notion of individual-rational preference formation, this hardly excludes socialization by definition. For instance, critics of British homeownership discourses would probably argue that homeowners are socialized towards (an instrumental form of individual) rationality (cf. Finlayson, 2009; Saunders, 1990:56). And irrespective of its implications for the increasing importance of some notion of rationality, socialization seems to remain important for preference formation (Jennings, 2007; Westholm, 1999), probably in interaction with genetic heritage (Alford et al, 2005; Kandler et al, 2011). Disentangling how homeownership affects preferences via some concept of rationality and interests either at the individual or group level as opposed to socialization and habit would require a fine-tuned conceptual arsenal and a consideration of the interaction of both the demand and supply sides of politics (Oscarsson & Holmberg, 2013:70ff), unsuitable for a project of this size. Moreover, my data will not allow it.13

Thus, like probably any concept, the meaning and analytical usefulness of rationality depends on the qualifying assumptions made about it (Rothstein, 2003:ch. 2; Weakliem & Heath, 1995). Even if homeownership does individualize, I find it redundant to hinge the investigation of homeownership and preferences upon such qualifications.14 Instead, I propose the concepts of egotropy and sociotropy for thinking about how homeownership can relate to political orientation. Egotropy is the notion that the past development and/or prospects of one's private economic situation influences one's views. This means that people hold views that can be linked to a seemingly narrow understanding of what is best
for their own private situation. Sociotropy replaces the private economic situation
with that of the nation (Lewis-Beck & Stegmaier, 2007). For voting, sociotropy is
generally found more common and important, both in Sweden and elsewhere
(ibid; Oscarsson & Holmberg, 2013:202ff; cf. Lewis-Beck et al, 2008; Duch &
Stevenson, 2006; however, it is unclear if sociotropy precludes that one uses the
individual situation as proxy for the national situation (cf. Nannestad & Paldam,
2000).

It is noteworthy that results in research on political views and preferences
seem to be consistent with egotropy more often than research on vote (Kumlin,
2007; cf. Iversen & Soskice, 2001; Scheve & Slaughter, 2001; Seabrooke &
Mortensen, 2008; Rehm, 2009; 2011; Rehm et al, 2012; Berglund & Oskarson,
2010; Urbatch, 2013; and Lynch & Myrskylä, 2009 for an exception). A possible
explanation for the difference is that an individual will consider a larger set of
information when deciding what party to vote for than when thinking about her or
his (less-obliging) view on (a particular aspect of) the welfare state or her or his
general political orientation. This is also what Kumlin (2007) argues.

Regarding homeownership, most theories about its effects on political views
can be taken to assume that the mechanism through which this effect runs relates
to the homeowner's individual economic situation or prospects: house-values
affect the financial position of its owner and homes act as a form of private
insurance, not least given high house-values and a deregulated credit-market. All
this, in turn, colors preferences for the degree and nature of public intervention in
markets as embodied in welfare state policies, a focal point of the left-right
dimension. Just like higher income is found to entail more rightist views of labor
market participants, higher house-values may entail more rightist views of home-
owners. And house-values should capture a mechanism between tenure form and
left-right orientation just like income captures a mechanism between class and
left-right orientation (cf. Kumlin, 2007; Mair, 2007; Berglund & Oskarson, 2012).
Such a pattern would then seem to suppose some kind of egotropy, regardless of
how this relates to rationality and socialization. I take this notion that the private
economic situation may influence preferences as comparatively harmless and well
anchored in the literature. It will guide the search for a causal mechanism when I
explore if there is a stronger association between homeownership and political
orientation in areas where house-prices are higher. But again, egotropy itself is not
under study.

Lastly, a recent finding related to egotropy merits mention. The importance of
one's private economic situation and prospects seems to matter differently for
different people depending on their baseline ideology or values. Margalit (2013)
finds that preferences for redistribution and state intervention of Democratic
voters are less affected by changing individual economic circumstances than the
preferences of Republican voters. Republican-oriented voters become more leftist
when economic times are hard and as expectations get better they return
rightwards. Democratic-oriented voters, however, are insensitive to changed
personal circumstances. Naturally, there is less room for Democrats to become
more leftist-oriented, but a ceiling effect provides only a partial account for the
suggest related findings: Right-wing party supporters respond to (positive) changes in perceptions of their relative economic situation by adopting even more right-wing preferences (no ceiling effect is detected). Non-right-wing party supporters do not. This suggests that egotropy is less important for leftist-oriented people than for rightist-oriented people. And both findings suggest that it can be fruitful to look for different relationships between homeownership and political orientation in different groups. Thus after having explored the general relationship, its variation according to regional price differences, and class-group-specific relationships, I will explore if homeownership and political orientations relate differently in different political groups.

2.5 Summing Up

I now summarize the theories and tie them together in the choice of left-right orientation as main dependent variable. I extract the theories and empirical findings discussed above that will guide the analysis, and I formulate hypotheses.

The theories and findings suggest that several specific issue preferences are expected to be affected by homeownership (note that Ansell uses different dependent variables in his analyses). Kemeny suggests that homeownership affects preferences for taxes, social security and redistribution. The latter two are confirmed by Ansell, who also considers a composite ideology-index. This is also considered by Svallfors (who finds no effect). Dunleavy and Saunders find some association between homeownership and party preferences. Discourse-oriented macro-theorists would arguably lead us to suggest effects on any preference that pertains to the welfare state and the preferred border between politics and the market.

Since the macro-theories on preferences are relatively underdeveloped and the micro-studies are few, I see no obvious main dependent variable. But as I stated in section 2.1, left-right orientation correlates (empirically and theoretically) with specific preferences pertaining to the welfare state. It thus allows me to take the theories and findings concerning homeownership and preferences as a whole, and study an important variable that structures Swedish politics. Arguably (but somewhat less importantly), it is more underlying than party preferences, and thus less sensitive to unobserved idiosyncracies. It may also be more structural than specific preferences. Oscarsson & Holmberg use it to depict underlying changes in the electorate towards more rightist orientations, changes that theories suggest is relatable to homeownership rates (and price increases). Left-right orientation also addresses concerns that I choose a specific preference as dependent variable because this is where I find significance. I thus hypothesize that homeownership is related to left-right orientation in the sense that it is associated with a more rightist orientation.

Having explored this, I proceed to investigate an egotropic mechanism that links homeownership to political orientation by hypothesizing that the relationship between homeownership and left-right orientation is stronger when house-values
are higher. I will do this by splitting the sample according to geographic differences in values, the variation that Ansell uses for the USA. Here, my choice of independent variable has a further advantage. Coincidentally, left-right orientation leaves me with more observations than any particular issue preference. This is good since the models include a large set of control variables, and splitting the sample requires many observations. Regarding the more abstract notion of ontological independence as a potential mechanism, I see no good way to capture it. Yet, one may assume that if tenure form differences in preferences are insensitive to price variations, then they are caused by this. I will mention it at some points, but it is not in focus.

After exploring the mechanism, I investigate if the relationship is driven by certain groups and I hypothesize that homeownership has cross-pressure effects that helps accounting for a loosening up of the relationship between class and political orientation as suggested by Dunleavy. Specifically, homeowners in leftist-oriented class groups may be subject to cross-pressure since their class-position suggests a leftist orientation but their ownership position suggests a rightist one. I also hypothesize that the relationship differs among groups with different party preferences inspired by Margalit and Karajda and coworkers.

Regarding specific issue and party preferences that correlate with left-right orientation, I see no reason not to explore these. As they correlate, I hypothesize that a difference in left-right orientation should be expected to show in some, but not necessarily all of these. I thus consider preferences for reduced income differences (the closest I come to redistribution, the variable that Ansell uses for Europe), taxes, welfare state services, public sector size and privatization (but not social insurance). I also hypothesize that the relationship is reflected in the less underlying variable that is party preferences, with homeowners being more likely to prefer rightist parties. I stress that these analyses should be regarded as appending in relation to left-right orientation. A full discussion of each of these dependent variables and their relationship to left-right orientation would require more space.
3 Methodological Matters

In this chapter, I discuss methodological matters. Firstly, I explain the choice of a nationally representative survey as data for my study. I then discuss the statistical research design I apply to this data, and the actual choice of data. I end with discussing some concerns that my research design may raise. These include things which survey data are less appropriate to capture, assumptions inherent to my method that should be made explicit, and questions of omitted variables and reverse causality.

3.1 Research Design

It seems natural to ask people about their views in order to get an idea of what they are. This suggests the use either of statistical methods on survey data or of in-depth interviews. Using survey data fits the main purpose of finding an independent (isolated) relationship between homeownership and left-right orientation generalizable to the entire Swedish population. These possibilities to isolate and generalize are probably the main reasons why survey studies seem to dominate the empirical literature on political views. The use of interviews in-depth, in turn, arguably permits a more nuanced understanding of the meaning of a given relationship to the individuals concerned. In the conclusion I touch upon how in-depth interviews could complement my results.

Thus, survey data allow an estimate of the difference between homeowners and tenants within the entire Swedish population, and they allow an investigation of the extent to which these differences remain when controlling for theoretically motivated variables that may render the initial effect spurious or biased. I will say more about such control variables shortly. Note that it is only possible to directly control for confounding factors that are actually asked about in the data. Since everything of potential relevance is not and cannot be asked about, I am left with the very common and possibly severe problems of potential sources of bias due to omitted variables. The ideal solution is to perform a randomized experiment to assure that homeowners and tenants do not systematically differ in any observable or unobservable way except in assigned homeownership status. The average preference difference between the two groups would then be the causal effect due

\[ \text{15 Not asking people would in all cases seem problematic. But of course, one may believe that people do not understand their preferences, or that they do not act accordingly, in which case views would matter less. One would perhaps like to study actions instead (although it is probably hard to observe enacted views without inferential problems). But were there no connection between views and actions it is an open question if either would be meaningful to study.} \]
to being treated with homeownership (Duflo et al, 2008:3899ff). Unfortunately, no ideal solution exists here. Instead, I have to make use of a control strategy. This means that I explore if there is a relationship between homeownership and political orientation or preferences, and then see if it holds when I introduce other observed variables which are chosen to make homeowners and tenants equal in relevant ways. The method is more amenable to a smaller study such as mine, and it seems very common in research on preferences; it is used in a large majority of the statistical individual-level studies discussed in the theory chapter. For instance, Kitschelt & Rehm (2014) posit that work experiences matter for political preferences and use survey data to establish a relationship or correlation between their independent and dependent variables. The emphasis is on correlation. If finding causality is a primary goal (I would think of it as simply a later goal; cf. Pickstone, 2000), unveiling a mere connection may be somewhat disappointing.

But even if the wisest way to interpret the baseline results are in terms of a correlation, my findings will be of interest. Firstly, it is of course true that without a connection, there is hardly causality (and I argue in section 3.4 that the results are interesting even if the relationship is not causal). But more importantly, if the relationship shows a pattern consistent with the causal theory where homes are seen as assets, the association is less likely to be spurious (Hedström & Swedberg, 1998:9) and more likely to catch a causal effect. Moreover, data will allow for some fruitful analyses regarding group-specific differences. Finally, no similar (multivariate) analysis focusing upon Sweden seems to have been performed with data from the last 20 years, and I have given arguments why such a study is valuable today. And given lack of experimental or quasi-experimental data, this is arguably where any analysis would start.

### 3.2 Data

Regarding the actual choice of data, a few recent surveys merit consideration: the 2012 SOM survey, the International Social Survey Programme (ISSP) 2009, the 2006 Swedish electoral survey (the last to be available in its entirety) and the 2010 Welfare state survey (Väljärsstadsundersöknningen). The latter includes no question on tenure form, however. ISSP 2009 is rejected due to very few observations (667 of 1,137 respondents). The survey chosen is the cross-sectional SOM survey from 2012. This was collected by the University of Gothenburg, using questionnaires sent out to a random net sample of 11,097 people. Its response rate is 57%. Unlike in the Swedish electoral survey, all respondents

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16In econometrics, there is a discussion concerning whether one should start with a small model and add control variables or do it the other way around. Verbeek (2012:64f) claims that the latter is preferable. This recommendation is probably more relevant when the aim is to explain something in its entirety than when the aim is to isolate a relationship.

17This is higher than in SOM 2011 and 2013. A response rate between 60 and 75% seems to be deemed acceptable (Esaiasson et al, 2012:185), thus I am obviously at the lower bound. The trend with lower response rates seems largely due to increased difficulties in reaching the respondents (Oscarsson & Holmberg, 2011:100).
were asked questions on tenure form, left-right orientation and background variables. SOM 2012 asks a very large set of questions, including background questions of high interest, and the number of final observations is high. This is valuable since it allows me to introduce a large set of variables in the models and because I need a large number of observations to explore regional and group-specific relationships. Finally, in order to explore the mechanism, I link information on where respondents live to house-price data from the Swedish National Board of Housing, Building and Planning (Boverket) and Statistics Sweden.

3.3 Models and Estimation

I have not said much in particular about variables or estimation techniques. I will discuss some important points concerning these issues here. Details are better given throughout the analysis.

The main dependent variable is one's self-placement on the left-right scale. Additionally, I will consider one's view on a certain issue or party. The main independent variable is tenure form. These are the principal operationalizations of left-right orientation, preferences, and homeownership respectively. For better or for worse, this is what data admit.18 There is no strong reason why I choose self-placement on the left-right dimension instead of a more objectively constructed index. I simply argue that one's left-right position captures something politically meaningful, and that individual perceptions of their own political views are reasonable, if not just (and individual perceptions are probably what matters most to the individual, cf. Oscarsson & Holmberg, 2013a:227). Moreover, an index would be based on answers to questions which I use as dependent variables in appending analyses to explore how homeownership is associated with particular left-right-related issue preferences.

What should be controlled for? In principle, in order to isolate an independent relationship between homeownership and political preferences, the main control variables should be variables that may affect or relate to both of these (Teorell & Svensson, 2007:204f). Not controlling for them would then mar any interpretation of a relationship as independent or causal. The most important control variable is probably labor market income. Higher income earners are more likely to place themselves to the right (Berglund & Oskarson, 2010:191f) and they are probably more likely to own their homes. Other control variables that could be related to both left-right position and tenure form are class-position, age or retirement status and region of residence. Since much of the theory above suggest that retirement especially is related to homeownership, I will control for this (the slight difference compared to controlling for age is that the association between homeownership and left-right proposition becomes somewhat smaller). Regional dummies will be

18 With the possible exception of some economists' catch-all ex-post rationalization of behavior I find no conceptualization of preferences anywhere. A question like "what do you think of the proposition to cut taxes?" is simply seen to tap into one's preference for tax cuts, and so on.
used to control for the possibility that tenure forms, and homeownership in particular, means different things in different parts of Sweden (cf. Doling & Ford, 2007:124f).

I mentioned the potential problem of unobserved factors in section 3.1. Note that, in principle, some observed control variables may proxy unobserved factors that influence the dependent variables (Teorell & Svensson, 2007:204f). For instance, economists commonly control for marital status in wage equations (Borjas, 2013). This is not because marital status affects wage, but because the average married person may differ from the average unmarried one in unobservable ways that affect labor market outcomes too. This proxy logic provides a further justification for some of the background variables introduced in my model-specifications. Thus, some control variables will be introduced more as proxies for unobserved background variables. Primary examples of such variables are education and sector of employment.

The models above must be estimated somehow. In the data sets, the dependent variables have five possible values. Hence we have a limited dependent variable with a natural ordering, and ordered probit or logit estimation suggests itself. The practical differences between logit and probit seem small (Verbeek, 2012:419), and I will use ordered logit. Such models are not straightforward to interpret in themselves (Wooldridge, 2009:536ff). Moreover, the estimated effects are sensitive to the values of all variables in the model. For example, the change in probability of holding a certain view due to a change in income (a marginal effect) would vary with one's starting income, but also with the values of other variables, for instance one's education. Thus, all other variables must be held constant (at substantially meaningful values), and an enormous amount of alternatives present themselves. The preferred solution is to, for each respondent, compute the change in probability of being in a certain left-right position associated with going from tenancy to ownership given the respondent-specific values of all other variables. I then average these probability changes. This yields the average marginal effect on the probabilities of any left-right position associated with switching from renting to owning (Verbeek, 2012:209; Greene, 2012:736ff; cf. Duch & Stevenson, 2006; admittedly, a tenure form switch is not marginal, but this is the term).

A less assumption-laden alternative to logit models is the linear probability model (LPM), which amounts to using standard ordinary least squares (OLS). It gives constant marginal effects at mean values of the independent variables (Angrist & Pischke, 2009:105ff). Moreover, with five possible values, the

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19Doling & Ford (2007:125; cf. Jones et al, 2007:137) argue that owning a home in a declining labor market area, where price levels (and increases) are comparatively low, could increase demand for redistribution if the homes have lock-in effects. General lock-in effects are claimed to exist in Sweden in Boverket (2014b). Maybe this would translate into an association between homeownership and a move leftwards on the left-right scale in such areas. No such association will be found below.

20This reasoning should not justify any control variable. In my case, the variables I will consider are all common in the literature (cf. for instance Berglund & Oskarson, 2012; Iversen & Soskice, 2001). Many relate to background variables mentioned in the theory chapter.

21Logit models require distributional assumptions about the error term (Verbeek, 2012:211f, 217ff). It is hard to assess how important the fulfillment of these assumptions really are. For the mathematical proofs of the estimators, they are of course indispensable. But if the world is characterized by patterns rather than by laws (at least given our present level of knowledge), the lack of exact fit between formulas and the world should be less of a problem: we use approximately sustainable techniques to evaluate a world that is inherently hard to fix.
dependent variable can be argued to be approximately continuous (Teorell & Svensson, 2007:109ff). This means that OLS results can be interpreted as the point move on the left-right scale associated with switching from tenancy to ownership. I apply this latter reasoning when exploring interactions between class groups and homeownership below, since this avoids calculating a quite large amount of marginal effects. For the rest of the results, I have estimated both ordered logit and LPM. The substantive conclusions remain the same.

### 3.4 Remaining Concerns

Any research design has strengths and limitations. In this section I first discuss the fact that an extensive study in itself does not explore individual observations in-depth, which means that the method may be less suitable to really understand meanings and perceptions (cf. Teorell & Svensson, 2007:ch. 10). This observation leads to some general assumptions I deem appropriate to make for the survey data research design to be convincing. I then discuss two factors that could mar any particular statistical study. This concerns omitted variable bias, i.e. unobserved variables which, if captured, would alter the results. It also concerns the possibility of reverse causality, i.e. that political views influence tenure form.

What is captured by studying survey responses on left-right orientation? Just because answers are quantified in questionnaires, it is evident that survey material is not more exact. It is better to think of survey data as more classifiable than interviews in-depth. That is, the survey question-answer itself is by definition more easily measured and then compared to other answers, but the meaning of the measurement in an individual case may be less clear (Oscarsson & Holmberg, 2013a:179). As long as the purpose is to reveal systematic differences this should be less of an issue. Regarding specific preferences, it is even possible that they are tapped into in a more valid manner with survey material, since the respondent really has to choose a preferred option. Regarding left-right position, I know of no recent study that discusses what Swedes really have in mind when they think of this. Mair (2007) states that the concepts of left and right may hold different meanings over time and space. Within one country at one particular point in time this should be less of an issue. In all instances, the left-right scale seems to be considered meaningful by Swedes (ibid), and left-right position captures fundamental political orientations on a dimension that mirrors issues which structure Swedish (welfare state) politics and concern fundamental views on how society should be (ibid; Berglund & Oskarson, 2010; cf. Mair, 2007). Similarly, the meaning of the response-options used should be reasonably clear to respondents as they concern comparatively well-known political issues of high salience (cf. Esaiasson et al, 2012:243). That being said, there is probably scope for interesting research on how left-right position relates to (lived) political identities.

\[22\]

To denote these fundamental views I prefer the term *orientation* to *ideology*, since the latter could suggest questionable assumptions of thought-outness.
I find the requirements for survey data analysis to hold to be relatively innocent, especially as my focus is on salient political issues in one country in a short period of time. It must probably be assumed that people in general have a similar world in mind when they answer questions, and that those who answer it in different ways do not systematically differ in their understanding of that question. Evidently, it cannot be allowed that people answer questions in a completely random fashion. But the fact that survey responses on different items normally correlate in theoretically meaningful ways suggest the existence of non-random patterns which are often successfully revealed (but see Ioannidis, 2005). It still allows people to hold complex, even contradictory views, the salience of which systematically depends on circumstances. Still, the analysis will of course be sensitive to the probability that certain respondents might have been quite indifferent between some alternatives, and that results could have been slightly different (but not necessarily more or less true) if a sufficient amount of final choices had been set to a neighboring alternative. Still, if a general trend exists, it should be discernible regardless of such concerns.

I now turn to questions of bias. Here, it is important to recognize a difference between types of biases: a bias that exaggerates a connection is usually more serious than the reverse. In the first case a zero-relationship could be misreported as an existing connection, while in the latter case we get a lower bound. (The lower bound could of course be indistinguishable from zero, which leaves us agnostic about the existence of a relationship). Three potential sources of bias could be of concern here. Taken together, they suggest a potential downwards bias.

Firstly, data do not ask about one's net, or real, ownership. A homeowner will probably have borrowed money, which could affect the net financial value, or significance, of the house. I would argue that this should reduce any (economic) effect of homeownership on preferences, since the house provides less equity and less (potential) independence, at least in the short run. Ansell (2014:386f) reasons this way in his panel data model. In a cross-sectional model such as mine, this mitigation should be less severe if it is averaged out over homeowners, some of whom may have had time to pay back loans. In a possibly extreme case, if homeownership works through (ideological) notions of ontological independence only, incurred debt should not affect preferences at all.

Secondly, would ownership of a second home, such as a summer cottage, influence the estimated effect? One could assume a limit to how ownership affects preferences, where going from zero to one house is more important than going from one to two houses. This would imply an underestimation of the relationship (the homeownership dummy then misses that some already own a summer-house which would make some tenants more like homeowners while homeowners who own summer-houses are less affected). Furthermore, one could assume that one's main house affects preferences more than one's secondary residence, at least at constant house quality and value. But it must be recognized that different interaction effects, like the effect of becoming the owner of a home when you already own another home, are unclear, and it is easy to imagine several cross-

\[^{23}\text{It is somewhat interesting that Andersson et al (2007) find that homeowners see paying off loans (but perhaps not interest) as paying money to themselves. This would perhaps alleviate the bias.}\]
effects of varying and contingent strength. Dunleavy (1979) assumes an additive effect of unspecified size of multiple ownerships. Saunders (1990) argues that this is theoretically unmotivated, but proposes no alternative. Conley & Gifford (2006) argue that summer-house ownership attenuates the difference between homeowners and tenants according to the marginal effects reasoning. In section 4.1.1, I find that summer-house ownership does attenuate the relationship between homeownership and left-right position. I argue that it is hard to know what to make of this.

One last bias could occur if past homeowners sold their house and moved into tenancy (cf. Kemeny, 2005a:71), if the effect of homeownership works via the financial resources it provides. These homeowners would realize the financial value of their houses, and thus their political preferences may still be linked to the (economic value of past) homeownership.

The main hypothesis is that homeownership has an independent influence on left-right orientation. But what about reverse causality, i.e. that left-right orientation influences (the probability of) homeownership? To explore a theoretical connection that has not been empirically established, this should be less of an issue. But the findings could be less interesting if they merely suggested that people with a certain type of political orientation get into homeownership. Except possibly Kemeny (2005a; b), both the theoretical and empirical literature mostly ignores this. Neither is the argument addressed that people with certain types of preferences would tend to choose homes that could be more expected to rise in value. Saunders (1990:235f) does make an empirically supported argument that people get into homeownership because they want to own for other reasons (and I do not set out to explain tenure form preferences) and that political preferences may change after that: Voters who bought their homes in 1980 voted Conservative in 1979 not because of their political orientation but because they wanted to buy. Arguably, reverse causality is controlled for (partially) either by controlling for background factors like income that should account for such preferences, or by comparing among groups with different party affiliation or baseline preferences.

Finally, tenure choices are structurally constrained. Thus preferences themselves hardly allows tenure choice, at least not controlling for variables such as income, class and education, and in that case the direction should rather be in the theorized way. Additionally, unobserved factors such as personality and genetic heritage working through predisposed ideological affinities are suggested to matter for preferences. But no determinism is suggested (Alford et al, 2005; Kandler et al, 2012). Still, I recognize that causality could run both ways (cf. Kitschelt & Rehm, 2014). In this case, homes would still allow for some predisposed owners to achieve cognitive assonance between life-world and preferences, and perhaps have a reinforcing effect on them, while potentially influencing other owners too. I will not be able to arbiter between the directions of causality. I maintain that the findings are of interest even if causation is reciprocal, and emphasize that a pattern consistent with the egotropic mechanism would suggest a causal effect.
4 Homeownership and Left-Right Orientation

I now apply the proposed methods in order to investigate the relationship between homeownership and left-right orientation as well as issue preferences and party preferences. The first section explores left-right orientation. Thereafter, I exploit price variations to investigate if a pattern consistent with an egotropic mechanism is found. Then, specific relationships according to class-group or party support are explored. Finally, I consider more specific issue preferences relating to welfare state policies, and party preferences. All estimations are done using Stata 13. Results not shown are of course available.

4.1 Main Results

Here I answer the hypothesis that homeownership is related to left-right orientation in the sense that it is associated with a more rightist orientation. As dependent variable I use left-right self-placement (lrpos), as answered by the question “It is sometimes said that political views may be placed on a left-right scale. Where would you place yourself on such a scale?” Five alternatives are possible, “clearly to the left”, “somewhat to the left”, “neither to the left nor to the right”, “somewhat to the right”, and “clearly to the right”. Answers are coded with values 1-5. Thus higher values takes us rightwards. The sample distribution of answers is given in Table 4.1. It is quite symmetric, the middle position being the most common.

My independent variable is a homeownership dummy, the answer to the question “[d]o you or someone in your household own your current home?”. It is good that the question is asked at the household level. For instance, the situation of a spouse may influence life circumstances (cf. Margalit, 2013:91; Rehm et al, 2012:394; Lynch & Myrskylä, 2009:1080). The share of validly coded homeowners in the sample is 73%, as opposed to around 66% in Sweden in 2012 (Statistics Sweden d).

<table>
<thead>
<tr>
<th>Left-right position</th>
<th>Clearly to the left</th>
<th>Somewhat to the left</th>
<th>Neither to the left nor to the right</th>
<th>Somewhat to the right</th>
<th>Clearly to the right</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency</td>
<td>619</td>
<td>1,456</td>
<td>1,826</td>
<td>1,555</td>
<td>629</td>
</tr>
<tr>
<td>Percent</td>
<td>10.2</td>
<td>23.9</td>
<td>30.0</td>
<td>25.6</td>
<td>10.3</td>
</tr>
</tbody>
</table>

Source: SOM 2012

All translations are mine. The data reference links to the codebook.
I start by illustrating the relationship between tenure form and left-right position in Table 4.2. It gives the average left-right position of homeowners and tenants. The difference may seem small in the sense that both homeowners and tenants are positioned quite close to the middle. But since most respondents place themselves in a middle category, it remains noteworthy, and the confidence intervals do not overlap.

Column 1 in Table 4.3 renders the bivariate relationship from Table 4.2 in terms of ordered logistic regression. The figures themselves are not very meaningful. As mentioned in section 3.3, the interpretive focus is on the marginal effects which I present further down. Here, only the significance and sign should be retained; the positive sign in column 1 implies a higher probability of homeowners placing themselves more to the right and less to the left than tenants.

In columns 2 to 4 I add control variables to see if the relationship holds. Column 2 adds income (all sources). Just like homeownership, the question is asked at the household level. Household income is given by SOM in twelve categories from 100,000 SEK or below; 101,000 to 200,000 SEK; etc., up to one 1,100,000 or more (the sample median is between 400,000 and 500,000, thus one category higher than the Swedish median in 2012; Statistics Sweden f). As expected, the relationship weakens when adding income.

In column 3, I add a control for objective class-position (I call these class controls throughout the analysis).25 SOM codes the respondents as belonging to a class based on her or his (last) occupation, including employers. I use the European ESeC (European socioeconomic Classification) schema, a revision of the widely used class schema developed by Goldthorpe and Erikson (Bengtsson, 2012:13; see also ISER). It builds on the insight that the old vertical working class versus middle class dichotomy is too crude for understanding social divisions in contemporary welfare states. It is more fine-grained vertically, and even involves some horizontal divisions. (Horizontal divisions are often seen to uncover differences in political orientations between groups in similar vertical class positions; Oesch 2006a, b; 2008; Lubbers & Güveli, 2007; Güveli et al 2007; Kitschelt & Rehm, 2014; though ESeC would probably not suffice if the goal was to uncover these differences). The omitted baseline category is “other workers”: semi- and unskilled workers in routine non-service occupations.

In column 4 I add the full set of control variables (henceforth I denote these other controls). Foremost, this includes a dummy for being retired. As retirees are more likely to place themselves to the right, and more likely to own their house, they account for much of the difference between columns 3 and 4. Other variables are more of a usual suspects character, some of them may relate to both tenure form and left right orientation, but they may also proxy correlated unobserved characteristics of importance. Education is a four-step dummy with low education

---

*I have considered including subjective class-position also. Such a variable changes nothing substantial.*

---

Table 4.2. Tenure form differences in average left-right orientation

<table>
<thead>
<tr>
<th></th>
<th>Homeowners (n=4310)</th>
<th>Tenants (n=1612)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average left-right position</td>
<td>3.12</td>
<td>2.75</td>
</tr>
<tr>
<td>Confidence interval</td>
<td>3.09-3.15</td>
<td>2.7-2.8</td>
</tr>
</tbody>
</table>

*Source: SOM 2012*
Table 4.3. The relationship between homeownership and left-right orientation

<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homeownership</td>
<td>0.573***</td>
<td>0.351***</td>
<td>0.357***</td>
<td>0.329***</td>
</tr>
<tr>
<td></td>
<td>(0.0525)</td>
<td>(0.0579)</td>
<td>(0.0605)</td>
<td>(0.0717)</td>
</tr>
<tr>
<td>Household income</td>
<td>0.127***</td>
<td>0.118***</td>
<td>0.165***</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.00951)</td>
<td>(0.0106)</td>
<td>(0.0140)</td>
<td></td>
</tr>
<tr>
<td>Higher grade professionals and large employers</td>
<td>0.675***</td>
<td>0.645***</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.0999)</td>
<td>(0.121)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lower grade professionals</td>
<td>0.274***</td>
<td>0.396***</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.0880)</td>
<td>(0.110)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other higher grade white collar workers</td>
<td>0.445***</td>
<td>0.587***</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.0997)</td>
<td>(0.117)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small employers, and self-employed</td>
<td>1.147***</td>
<td>0.832***</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(non-farmers)</td>
<td>(0.127)</td>
<td>(0.150)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Farmers, etc.</td>
<td>1.447***</td>
<td>0.957***</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.265)</td>
<td>(0.342)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lower supervisory workers and technicians</td>
<td>0.461***</td>
<td>0.516***</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.121)</td>
<td>(0.135)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lower services, sales and clerical workers</td>
<td>0.226**</td>
<td>0.409***</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.0911)</td>
<td>(0.108)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Skilled technical and manual workers</td>
<td>-0.0386</td>
<td>-0.0424</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.115)</td>
<td>(0.130)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retired</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.206**</td>
<td>(0.0809)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lower middle education</td>
<td></td>
<td>0.123</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.0900)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Higher middle education</td>
<td></td>
<td>0.166*</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.0992)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Higher education</td>
<td></td>
<td>0.133</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.109)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private sector</td>
<td></td>
<td>0.432***</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.0645)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Union member</td>
<td></td>
<td>-0.677***</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.0619)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployed</td>
<td></td>
<td>-0.129</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.174)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td></td>
<td>0.0266</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.0629)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Couple</td>
<td></td>
<td>-0.348***</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.0756)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Own children</td>
<td></td>
<td>0.195***</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.0723)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nordic</td>
<td></td>
<td>0.446**</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.198)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td></td>
<td>0.0973</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.164)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>World</td>
<td></td>
<td>-0.00105</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.186)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Smaller town</td>
<td></td>
<td>-0.207**</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.0941)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City</td>
<td></td>
<td>-0.0462</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.0831)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stockholm/Gothenburg/Malmö</td>
<td></td>
<td>-0.158</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.104)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Observations</td>
<td>5,922</td>
<td>5,518</td>
<td>5,198</td>
<td>4,287</td>
</tr>
</tbody>
</table>

Note: Question wording: “It is sometimes said that political views may be placed on a left-right scale. Where would you place yourself on such a scale?”. Ordered logit estimation. Standard errors in parentheses, *** p<0.01, ** p<0.05, * p<0.1.
Source: SOM 2012.
being the reference category. Further labor market control variables include dummies for private sector employment (workers in the public or non-profit sector are omitted), unemployment and union membership. Furthermore, I control for whether the respondent is in a couple and has children or not. I also control for where in the world the respondent was raised, which is the closest the data allow us to get to migration status or even ethnicity. The categories include being raised in a Nordic country, another European country, or a country outside Europe. Having been raised in Sweden is the omitted category. Lastly, in line with section 3.3, I include an urban/rural variable in four categories coded by SOM, with countryside residents as reference group.

The homeownership dummy remains significant in the full model in column 4. This indicates that the hypothesized relationship between homeownership and left-right orientation in Sweden exists. Homeownership is indeed associated with more rightist political views. Moreover, the homeownership coefficient remains fairly stable in columns 2 to 4. The relative insensitivity of the coefficient in columns 2 to 4 in Table 4.3 is reassuring, since it suggests that the results are robust. To appreciate the results below, it may be worth referring back to the figure in column 4 in order to assess if other more group-specific associations between homeownership and left right orientation are relatively weak or strong compared to this general relationship.

I now turn to the more meaningful average marginal effects. These are the average effects associated with changing from tenancy to ownership on the probability of placing oneself in a given left-right position among the observed individuals in the data. I report them in Table 4.4.

Table 4 shows that homeownership in general is associated with an average absolute probability increase of placing oneself more to the right, and less to the left, of roughly between 3.0 and 4.0 percent (I will mostly ignore the middle position when I present other marginal effects in the text). It can be of value to compare these marginal effects with the marginal effects of a variable that is more commonly analyzed in the literature (cf. Ansell, 2014; Rehm, 2011; Kitschelt & Rehm, 2014). Given the egotropic notion that one’s private economic situation matters, household income is a natural reference point. The rough average marginal effects of going from 201,000-300,000 to 301,000-400,000, from 301,000-400,000 to 401,000-500,000 and from 401,000-500,000 to 501,000-600,000 in yearly household SEK income (these are probably the most common and relevant changes) are tightly bounded around a 2 percent increase (decrease) in the probability of placing oneself to the right (to the left) for any outcome category. In terms of household yearly income differences, the average marginal effect of tenure form on left-right orientation corresponds roughly to the difference between earning 301,000-400,000 and 501,000-600,000. This is

---

26It may be argued that I should also control for educational orientation in order to capture horizontally systematic differences in predispositions towards different orientations. As mentioned, such horizontal differentiations often capture differences between people in similar vertical positions. Introducing a control for educational orientation according to whether the education indicates an interpersonal, technical or administrative logic (loosely following Oesch 2006a, b) gives a homeownership coefficient of 0.38***. But I lose some 750 observations.

27Controlling for number of children in household changes nothing. But I lose ca 3,000 observations.
Table 4.4. Average marginal effect on probability of left-right orientation associated with homeownership

<table>
<thead>
<tr>
<th>Left-right orientation</th>
<th>Clearly to the left</th>
<th>Somewhat to the left</th>
<th>Neither to the left or right</th>
<th>Somewhat to the right</th>
<th>Clearly to the right</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homeownership vs. tenancy</td>
<td>-2.9%*** (0.0063)</td>
<td>-3.9%*** (0.0085)</td>
<td>-0.1%** (0.0009)</td>
<td>3.9%*** (0.0086)</td>
<td>3.0%*** (0.0065)</td>
</tr>
</tbody>
</table>

Note: Standard errors in parentheses, *** p<0.01, ** p<0.05, * p<0.1
Source: SOM 2012

certainly a considerable change in circumstances for households within these income brackets.

Admittedly, if we are interested in assessing whether the relationship is large or small, the above comparison is only somewhat helpful. But I stress that the question guiding the thesis concerns a hitherto overlooked relationship between homeownership and political orientation in Sweden, not its size. Furthermore, I maintain that it is more interesting to explore if the strength of the relationship shows any theoretically meaningful variation. The marginal effects in Table 4.4 can serve as a reference point to get an idea of whether the effects are relatively strong or weak in different areas or groups. I explore these variations below. But first, I address the issue of summer-house ownership that I discussed in section 3.4.

4.1.1 Summer-House Ownership as a Potential Confounder

SOM asks if the respondent or anyone in her or his household owns a summer house. Including a summer house dummy in column 4 of Table 4.3 (not shown) attenuates the relationship. The homeownership dummy coefficient is 0.216**. The summerhouse dummy coefficient itself is insignificant. It remains unclear what all of this means in terms of bias and interpretation. Statistically, the number of observations is cut to 1,960 and a high degree of correlation between homeownership and summer homeownership is obvious. Futhermore, if I replace the retirement dummy with a control for age and age squared, the homeownership coefficient is strengthened – retirement correlates highly with homeownership and with summer home ownership, and retirees are more likely to place themselves to the right. But foremost, the meaning of controlling for a second home when investigating the relationship between homeownership and political orientation and preferences is unclear, as would be the implications of constructing an ownership index (cf. Saunders, 1990). For these reasons, I keep to the more theoretically grounded relationship between ownership of one's primary home and political views.

28 These variations include differences according to class and party preferences. I have explored a third variation mentioned in the theory chapter which was suggested by Kemeny and Ansell, namely that homeownership should have specific right-wing effects on retirees. I leave these results out. In no model or specification do I find any retiree-specific relationship. As retirees are already relatively rightist-oriented, perhaps a ceiling effect explains this.
4.2 Regional Variation

I now test the hypothesis that the relationship between homeownership and a more rightist orientation is stronger when house-values are higher as suggested in Ansell (2014) (arguably, one’s preferences will be affected by house-prices mainly if one is a homeowner, a claim I test soon). The general mechanism here relates to the assumption of egotropy, i.e. that private economic circumstances matter for political preferences, and that a better private economic situation makes one more skeptical of welfare state intervention in market outcomes. Results consistent with a theorized mechanism would at least partially address concerns for spuriosity, and arguably even reverse causality.

I thus consider regional house-price variations in Sweden and employ a similar method as Ansell (2014) does for the US. A few alternatives are possible, and I will attempt them all, arguing that they should yield similar indications and thus affirm the robustness of the results. I first consider how the relationship differs between major city areas and other regions. Generally, the former areas drive the trend of price increases and account for most of the highest price-levels (Statistics Sweden e; cf. Boverket, 2014a). For ease of interpretation, I follow Ansell (2014) and Margalit (2013) and split the sample and estimate the same models for those respondents who live in a major city area and those who do not. The coding is made clear by Statistics Sweden (g). I present estimates based on the municipality assignment prior to 2005, as the definition of major urban areas was changed this year so as to include very large areas (results are similar if I use the post-2005 coding, however). Homeowners in major city areas are 1,452 (70.1%) and renters are 619. Homeowners outside major city areas are 2,964 (73.9%) and renters are 1,047.

Results are presented in Table 4.5. It is seen that the relationship between homeownership and left-right orientation is stronger both in terms of size and significance in major city areas. Thus, the relationship between homeownership and left-right position is driven by the difference between homeowners and tenants in major cities. Calculating marginal effects shows an absolute probability change of placing oneself more to the right or less to the left of around 4.5-6% in major city areas (p-values below 0.000) and around 1-2% outside these (p-values around 0.05). An obvious difference is that homeownership should have another financial meaning in major cities, where prices are higher. Hence the relationship follows price variations as predicted. To further assess this, in both ordered logit and OLS regressions on tenants only (not shown), a dummy for living in major city areas is insignificant. The fact that a price relationship is absent where it

---

29Inspired by Tiebout (1956) one may reason that homeownership has a different (financial) meaning in major city areas because people here (for other reasons) vote for politicians who conduct policies which raise the values of homes more. In that case I have a potential endogeneity problem. I may partially capture this by controlling for party preferences (a dummy for each major political party – SOM does not ask about municipal parties – although this variable is more often thought of as affected by left-right position than vice versa). If I do this, homeownership coefficient is insignificantly different from zero in column 2, but still 0.318** in column 1. Naturally, standard errors are high.
Table 4.5. Regional price variations.

<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>Lrpos outside major city areas</th>
<th>Lrpos inside Major city areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homeownership</td>
<td>0.178** (0.0906)</td>
<td>0.532*** (0.119)</td>
</tr>
<tr>
<td>Household income</td>
<td>0.147*** (0.178**)</td>
<td>0.187*** (0.532***</td>
</tr>
<tr>
<td>Class controls</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Other controls</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Observations</td>
<td>2,808</td>
<td>1,479</td>
</tr>
</tbody>
</table>

Note: Question wording: “It is sometimes said that political views may be placed on a left-right scale. Where would you place yourself on such a scale?”. Ordered logit estimation. Standard errors in parentheses, *** p<0.01, ** p<0.05, * p<0.1.

Source: SOM 2012. For regional coding, see Statistics Sweden e.

should be strengthens the plausibility of the results and suggests that my model is reasonable.

It is possible to exploit price variations in a possibly even more detailed way. Two options present themselves: To look for different relationships according to county differences in cooperative apartment-prices and according to municipality differences in detached house-prices. At the most detailed level, the municipality, Boverket (2014a) claims that there are only reliable data on owned detached housing. Unfortunately SOM does not ask if the owner lives in a detached house or in a cooperative flat, and it is not possible to separate out owned detached housing from cooperative flats in a convincing way. But I make the assumption that (relative) prices for cooperative flats and detached houses are highly correlated. I then code respondents according to if they lived in a municipality where mean purchase prices for detached houses were above 4 million SEK, between 2 and 4 million SEK, between 1 and 2 million SEK and below 1 million SEK in 2012.

Results are presented in panel A of Table 4.6. It suggests a similar variation according to prices as in Table 4.5. Column 4 in Table 4.6A mainly captures Stockholm characteristics. In Stockholm, the association between homeownership and left-right position is the strongest, and its inhabitants may drive the relationship to a large extent (the marginal effects here range between 6 and 9% with p-values below 0.000). It is fruitful to compare columns 2 and 3. Arguably, in these two columns, we compare a large set of municipalities while excluding the somewhat particular Stockholm area, as well as some sparsely populated municipalities (column 1) where the relative difference in economic conditions may be quite large as compared to the difference between the municipalities in columns 2 and 3. Moreover, there are more observations for these two groups (and hence lower standard errors). Calculating average marginal effects yields an insignificant change in the probability of placing oneself more to the right or less to the left due to tenure form for column 2, but a highly significant change in of
Table 4.6. More regional price variations

<table>
<thead>
<tr>
<th>Panel A</th>
<th>Lrpos Prices &lt; 1 million</th>
<th>Lrpos Prices &gt; 1 million and &lt; 2 million</th>
<th>Lrpos Prices &gt; 2 million and &lt; 4 million</th>
<th>Lrpos Prices &gt; 4 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detached house-prices on municipality level</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Homeownership</td>
<td>0.272 (0.178)</td>
<td>0.123 (0.150)</td>
<td>0.390*** (0.110)</td>
<td>0.718*** (0.195)</td>
</tr>
<tr>
<td>Household income</td>
<td>0.164*** (0.0376)</td>
<td>0.138*** (0.0295)</td>
<td>0.160*** (0.0216)</td>
<td>0.198*** (0.0368)</td>
</tr>
<tr>
<td>Class controls</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Other controls</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Observations</td>
<td>822</td>
<td>1,136</td>
<td>1,728</td>
<td>536</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Panel B</th>
<th>Lrpos Prices &lt; 1 million</th>
<th>Lrpos Prices &gt; 1 million and &lt; 2 million</th>
<th>Lrpos Prices &gt; 2 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cooperative flat prices on county level</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Homeownership</td>
<td>0.216* (0.111)</td>
<td>0.354*** (0.124)</td>
<td>0.492*** (0.157)</td>
</tr>
<tr>
<td>Household income</td>
<td>0.142*** (0.0231)</td>
<td>0.166*** (0.0233)</td>
<td>0.185*** (0.0294)</td>
</tr>
<tr>
<td>Class controls</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Other controls</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Observations</td>
<td>1,865</td>
<td>1,497</td>
<td>860</td>
</tr>
</tbody>
</table>

Note: Question wording: “It is sometimes said that political views may be placed on a left-right scale. Where would you place yourself on such a scale?”. Ordered logit estimation. Standard errors in parentheses, *** p<0.01, ** p<0.05, * p<0.1.

Source: SOM 2012. For regional coding, see Boverket 2014a:18 (Panel A) and Statistics Sweden e (Panel B).

around 3-5% in column 3 (p-values of 0.001 or below).

In Panel B of Table 4.6 I consider a difference on the county-level according to sold, not-new, cooperative apartment mean prices given by Statistics Sweden (e). They emphasize that conclusions on price developments should not be drawn from their data, since housing quality is not considered. Still, I use the differences in levels in 2012 (which naturally correlate with differences in price evolutions). I consider the relationship between homeownership and left-right position in the Stockholm county where mean prices are above 2 million SEK (column 3), the counties of Halland, Gotland, Skåne, Västra Götaland and Uppland where mean prices are between 1 and 2 million SEK (column 2) and remaining counties where mean prices are below 1 million SEK (column 1). Once more, the relationship follows the increase in prices as I hypothesized.
4.3 Class Differences

I now explore if the relationship between homeownership and left-right orientation is driven by any particular class group, and if there are any hypothesized cross-pressure effects as suggested by Dunleavy (1979). Of course, there is no reason not to consider the relationship between homeownership and left-right orientation in all classes. Here, it is convenient to keep all group-specific relationships within one model, since the number of observations in some groups naturally is much lower than the number of observations in the whole sample. Following Brambor et al (2006), I omit the constant term and include a dummy for each of the nine class groups, as well as an interaction between each class-group and homeownership. I then estimate OLS with heteroskedasticity-robust standard errors (Angrist & Pischke, 2009:91). Results are presented in Table 4.7.

The plain class coefficients give the relationship between left-right self-placement and a particular class-group when the homeownership dummy is zero, i.e., for renters within that class-group. The interaction term coefficients explore whether homeownership alters this relationship in a significant manner. It does so for three groups, and in each case it moves the relationship further to the right on the left-right scale. Hence, class-wise, the relationship between homeownership and left-right orientation is driven by lower grade professionals and other higher grade white collar workers. These are quite large electoral groups (25% of the sample). Admittedly, the relationship is the strongest among farmers. For them, homeownership is associated with an entire step forwards. But since farmers are few it is probably less noteworthy in terms of potential social relevance.

What does Table 4.7 suggest about hypothesized cross-pressure? Especially lower grade professionals may be under cross-pressure. Tenants within this class-group are among those who, on average, are the furthest to the left (cf. Berglund & Oskarson, 2012). But all else equal, homeownership within this group is associated with a move half a step further to the right on the five-step left-right position scale, from 2.2 to 2.7. For other higher grade white collar workers, the associated move is from 2.5 to 2.8. As opposed to farmers, who also seem to be under cross-pressure, these white collar groups account for a rather large share of the electorate. Among other groups of workers where cross-pressure was plausible, homeownership does not appear to matter. Thus, homeownership may not account for a (presumed) full loosening up of contemporary class loyalties. But clear class-group variations are uncovered, and an analysis of class groups and political views should probably consider tenure form.

Note that homeownership is associated with a self-placement further to the right on the left-right scale, but not necessarily far to the right (recall that a value of 3 indicates a position neither to the left or right). This was suggested already in Table 4.1. But even if homeownership does not entail a right-wing position per se, it may imply less amenability to leftist policies. Naturally, the relationship between homeownership and a class-group would be rather uninteresting if there
### Table 4.7. Class position variations

<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>Lrpos</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher grade professionals and large employers*homeownership</td>
<td>0.165</td>
</tr>
<tr>
<td></td>
<td>(0.113)</td>
</tr>
<tr>
<td>Lower grade professionals* home ownership</td>
<td>0.492***</td>
</tr>
<tr>
<td></td>
<td>(0.0888)</td>
</tr>
<tr>
<td>Other higher grade white collar workers* home ownership</td>
<td>0.224**</td>
</tr>
<tr>
<td></td>
<td>(0.111)</td>
</tr>
<tr>
<td>Small employers, and self-employed (non-farmers)*homeownership</td>
<td>0.217</td>
</tr>
<tr>
<td></td>
<td>(0.185)</td>
</tr>
<tr>
<td>Farmers, etc.*homeownership</td>
<td>0.984**</td>
</tr>
<tr>
<td></td>
<td>(0.443)</td>
</tr>
<tr>
<td>Lower supervisory workers and technicians*homeownership</td>
<td>0.192</td>
</tr>
<tr>
<td></td>
<td>(0.148)</td>
</tr>
<tr>
<td>Lower services, sales and clerical workers*homeownership</td>
<td>0.143</td>
</tr>
<tr>
<td></td>
<td>(0.0882)</td>
</tr>
<tr>
<td>Skilled workers*homeownership</td>
<td>0.0772</td>
</tr>
<tr>
<td></td>
<td>(0.146)</td>
</tr>
<tr>
<td>Non-skilled workers*homeownership</td>
<td>-0.0585</td>
</tr>
<tr>
<td></td>
<td>(0.101)</td>
</tr>
<tr>
<td>Household income</td>
<td>0.0968***</td>
</tr>
<tr>
<td></td>
<td>(0.0083)</td>
</tr>
<tr>
<td>Higher grade professionals and large employers</td>
<td>2.599***</td>
</tr>
<tr>
<td></td>
<td>(0.136)</td>
</tr>
<tr>
<td>Lower grade professionals</td>
<td>2.203***</td>
</tr>
<tr>
<td></td>
<td>(0.118)</td>
</tr>
<tr>
<td>Other higher grade white collar workers</td>
<td>2.537***</td>
</tr>
<tr>
<td></td>
<td>(0.127)</td>
</tr>
<tr>
<td>Small employers, and self-employed (non-farmers)</td>
<td>2.677***</td>
</tr>
<tr>
<td></td>
<td>(0.186)</td>
</tr>
<tr>
<td>Farmers, etc.</td>
<td>2.121***</td>
</tr>
<tr>
<td></td>
<td>(0.390)</td>
</tr>
<tr>
<td>Lower supervisory workers and technicians</td>
<td>2.513***</td>
</tr>
<tr>
<td></td>
<td>(0.153)</td>
</tr>
<tr>
<td>Lower services, sales and clerical workers</td>
<td>2.466***</td>
</tr>
<tr>
<td></td>
<td>(0.104)</td>
</tr>
<tr>
<td>Skilled workers</td>
<td>2.237***</td>
</tr>
<tr>
<td></td>
<td>(0.151)</td>
</tr>
<tr>
<td>Non-skilled workers</td>
<td>2.346***</td>
</tr>
<tr>
<td></td>
<td>(0.112)</td>
</tr>
<tr>
<td>Other controls</td>
<td>Yes</td>
</tr>
<tr>
<td>Observations</td>
<td>4,287</td>
</tr>
<tr>
<td>R-squared</td>
<td>0.889</td>
</tr>
</tbody>
</table>

*Note:* Question wording: “It is sometimes said that political views may be placed on a left-right scale. Where would you place yourself on such a scale?” OLS regression. Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1.  
*Source:* SOM 2012.
were no homeowners in that class-group.\textsuperscript{30} Among professionals and white collar workers, homeowners range between 75 and 81\% in the sample. Among small employers and farmers, homeownership rates are 79 and 76\% respectively, while it ranges between 63 and 73\% among the rest. It should be kept in mind that the proportion of homeowners within each class-group is likely to be exaggerated to some extent.

### 4.4 Differences According to Party Preferences

Following Margalit (2013) and Karajda et al (2014), I now test the hypothesis that the relationship differs among groups with different party preferences. I do this by splitting the sample according to whether the respondent supported either a party in the right-wing government coalition or another parliamentary party in 2012. Without denying the existence of party block switchers, this should yield a split according to whether people are already relatively more supportive of market-liberal welfare state policies on average. Preferably, baseline preferences should be captured by even more underlying ideological notions, or by left-right placement at an earlier period (splitting the sample according to current left-right placement imposes a restriction on the possible relationship). I lack such information, but based on Oscarsson & Holmberg (2013a), I argue that the left-right dimension is of great importance for Swedish party choice.

I estimate ordered logit and present the results in Table 4.8. While the relationship between homeownership and left-right orientation is insignificantly different from zero among those who preferred a party in the right-wing government coalition in 2012, it is significant among non-government supporters. The average marginal effect for this group is a decrease in the probability of being to the left between 1 and 3\% and an increase of 3\% in probability of placing oneself in the middle (the albeit marginal effects on the probability of placing oneself to the right of the middle are in the order of 1\% or smaller). All p-values are around 0.04. It is possible to further divide the two groups into residents in major city areas and residents outside these areas. I only present the one of these four relationships that is statistically significant: the homeownership coefficient among non-government supporters who live in major cities is 0.54. This translates into a decreased probability of placing oneself clearly to the left or somewhat to the left of 8 and 3\% respectively, an increased probability in placing oneself in the middle of 7\%, and increased probabilities in placing oneself somewhat or clearly to the right of 3 and 1\% (p-values range between 0.01 and 0.001).\textsuperscript{31}

\textsuperscript{30}Dunleavy (1979) finds that owning two cars and a home pushes a working class voter strongly towards the Conservatives. Saunders (1990) criticizes him for failing to note that such voters hardly existed.

\textsuperscript{31}Note that supporters of the Swedish Democrats are not grouped with government party supporters, although it is a right-wing party. Doing this (not shown) yields a coefficient of 0.2* in column 2 of Table 4.8 (1,1889 observations). Their voters tend to place themselves to the right, but between the remaining opposition and the other right-wing parties. Regarding specific issues pertaining to the left-right scale, these voters hold views similar to leftist voters in some cases, and views similar to rightist voters in others (Oscarsson & Holmberg, 2013a:227ff). Interestingly, if they are excluded from estimation (not shown), the homeownership dummy
### Table 4.8. Variations according to party preferences

<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>Lrpos (right-wing government party sympathizers)</th>
<th>Lrpos (opposition party sympathizers)</th>
<th>Lrpos (opposition party sympathizers in major urban areas)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homeownership</td>
<td>0.163</td>
<td>0.210**</td>
<td>0.542***</td>
</tr>
<tr>
<td></td>
<td>(0.129)</td>
<td>(0.0996)</td>
<td>(0.169)</td>
</tr>
<tr>
<td>Household income</td>
<td>0.0910***</td>
<td>0.0394*</td>
<td>0.0941**</td>
</tr>
<tr>
<td></td>
<td>(0.0212)</td>
<td>(0.0229)</td>
<td>(0.0370)</td>
</tr>
<tr>
<td>Class controls</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Other controls</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Observations</td>
<td>1,802</td>
<td>2,196</td>
<td>685</td>
</tr>
</tbody>
</table>

**Note:** Question wording: “It is sometimes said that political views may be placed on a left-right scale. Where would you place yourself on such a scale?”. Ordered logit estimation. Standard errors in parentheses, *** p<0.01, ** p<0.05, * p<0.1.

**Source:** SOM 2012.

Several conclusions can be made. Firstly, the hypothesis of a difference between party block supporters is born out. Homeownership is associated with a move rightwards among left party supporters. This should foremost be interpreted as an increased likelihood of placing oneself in the middle on the left-right scale. Arguably, Tables 4.7 and 4.8 capture similar tendencies in different ways. In Table 4.7, it is otherwise leftist-oriented class groups who are associated with a middle position due to homeownership. In Table 4.8 it is people who prefer non-government parties. In line with this, the probability of placing oneself to the right of the middle for the respondents in column 2 of Table 4.8 naturally remains smaller, although it is significant. Government party supporters, in turn, seem less sensitive to homeownership. This is probably due to the ceiling effect similar to the one Margalit (2013) registers. Lastly, the price variation appears again. This suggests that non-government (mostly left) party supporters are sensitive to economic circumstances.

## 4.5 Alternative Dependent Variables

My focus is on left-right orientation as a means to capture important underlying political views in Sweden. Still, it is worth exploring how homeownership relates to more specific issue preferences, some of which have been emphasized in the literature in section 2.3. They all pertain to welfare state policies and outcomes affected by these policies. Here, I also explore party preferences. As mentioned, these dependent variables correlate relatively strongly with left-right orientation in Sweden in general (Oscarsson & Holmberg, 2013a:235ff), but recall that a discussion about how each particular preference correlate is beyond my scope. The correlation exists in SOM 2012 too. Naturally, it is not perfect. For instance, the coefficient in column 3 is reduced to 0.46*** with 598 observations.
specific information or experiences that relate to a particular issue may alter one's view on this issue without causing a general left-right reorientation. Hence it should be expected that results differ, although an absence of any significant relationship would be worrying. I use the same model as above.

4.5.1 Specific Issue Preferences

In Table 4.9 below, I investigate the hypothesis that the relationship between homeownership and left-right orientation is reflected in preferences for welfare state-related issues. Panel A concerns issues that arguably are related to taxing and spending, and which have a pocketbook dimension. They concern questions of whether the public sector should be cut, if taxes should be cut, if the income gap should be reduced, if taxes should be raised rather than services cut, and if unemployment benefits should be raised. Higher values indicate support for a cut public sector and cut taxes, and skepticism towards a reduced income gap, raised taxes instead of cut services, and raised unemployment benefits.

In panel B of Table 4.9 I explore issues which relate less to the size of the welfare state, and more to under what conditions welfare state services should be provided. In line with the more discourse-oriented scholars in section 3.2.1, these can be understood as tapping into a person's degree of market-friendliness regarding the production and delivery of welfare state services. The issues concern private schools, private care for the elderly, private health care and whether profits should be allowed in private healthcare and publicly financed healthcare and education. Higher values means more favorability towards private supply of these services, more skepticism towards prohibiting profits in private health care, and less skepticism towards profits in tax financed care, education and healthcare.

Detailed discussions about the results would be on thin ice since specific issue preference depend relatively more on factors outside my scope such as current debates, perceptions of political actors and local circumstances (Oscarsson & Holmberg, 2013a: 367; again, this is a reason why it is preferable to focus upon the left-right scale). Still, the main relationship between homeownership and left-right orientation reappears in some specific preferences. But contrary to what Kemeny (2005a) and the discourse-oriented researchers might suggest, homeownership shows no relationship with preferences for taxes and public sector size. However, homeowners disfavor a reduced income gap compared to tenants. This relationship is similar to that found by Ansell (2014) for Europe in terms of sign and significance. It is also seen that homeowners are more likely to think that raised unemployment benefits is a bad idea. These results may be consistent with the idea that homes as assets increase their owners' financial independence, as argued by Ansell (ibid). But differences between tenants and homeowners appear at least as clearly when it comes to attitudes towards private welfare services. It is not straightforward to link this to one's private economic situation. Perhaps it does suggest a more ideological relationship, too, where private ownership makes one

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32But note that SOM does not ask if the income gap should be reduced by the government as in Ansell's study.
Table 4.9. Homeownership and specific issue preferences.

<table>
<thead>
<tr>
<th>Panel A</th>
<th>(1) Cutsps</th>
<th>(2) Cuttaxes</th>
<th>(3) Reduceincgap</th>
<th>(4) Taxesvsservice</th>
<th>(5) Raiseunemplbnft</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homeownership</td>
<td>0.0736</td>
<td>-0.0835</td>
<td>0.327**</td>
<td>-0.107</td>
<td>0.406***</td>
</tr>
<tr>
<td></td>
<td>(0.0686)</td>
<td>(0.137)</td>
<td>(0.140)</td>
<td>(0.147)</td>
<td>(0.146)</td>
</tr>
<tr>
<td>Household income</td>
<td>0.0843***</td>
<td>0.0591**</td>
<td>0.149***</td>
<td>0.105***</td>
<td>0.0840***</td>
</tr>
<tr>
<td></td>
<td>(0.0134)</td>
<td>(0.0275)</td>
<td>(0.0283)</td>
<td>(0.0275)</td>
<td>(0.0272)</td>
</tr>
<tr>
<td>Class controls</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Other controls</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Observations</td>
<td>4,477</td>
<td>1,133</td>
<td>1,134</td>
<td>1,077</td>
<td>1,086</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Panel B</th>
<th>(1) Proprivate hc</th>
<th>(2) Propriveldcare</th>
<th>(3) Proprivschools</th>
<th>(4) Nohcpprofits</th>
<th>(5) Noprofits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homeownership</td>
<td>0.221***</td>
<td>0.0346</td>
<td>0.330**</td>
<td>0.237*</td>
<td>0.0350</td>
</tr>
<tr>
<td></td>
<td>(0.0791)</td>
<td>(0.146)</td>
<td>(0.133)</td>
<td>(0.138)</td>
<td>(0.101)</td>
</tr>
<tr>
<td>Household income</td>
<td>0.0741***</td>
<td>0.0546**</td>
<td>0.0813***</td>
<td>0.113***</td>
<td>0.0627***</td>
</tr>
<tr>
<td></td>
<td>(0.0153)</td>
<td>(0.0265)</td>
<td>(0.0262)</td>
<td>(0.0275)</td>
<td>(0.0191)</td>
</tr>
<tr>
<td>Class controls</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Other controls</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Observations</td>
<td>3,433</td>
<td>1,079</td>
<td>1,228</td>
<td>1,135</td>
<td>2,260</td>
</tr>
</tbody>
</table>

Note: See appendix for question wording. Ordered logit estimation. Standard errors in parentheses, *** p<0.01, ** p<0.05, * p<0.1
Source: SOM 2012

more market-friendly, as hypothesized by some analysts of asset-based welfare. But I will soon propose a somewhat different interpretation.

In Table 4.9, splitting the sample according to major city area as I do in Tables 4.5 and 4.6 generally yields very small samples. But for preferences regarding a cut public sector and private health care, the strategy can be attempted (not shown). In both cases, the homeownership coefficient outside major city areas is insignificantly different from zero. But in major city areas (n = 1,456), the homeownership coefficient associated with the proposal to cut the size of the public sector is 0.24**. And regarding being in favor of increasing the share of privately run healthcare, the homeownership coefficient in major city areas (n = 1,116) is 0.45***. This last result could suggest that an effect of private ownership on market-friendliness does relate to house values: Hypothetically, one is more inclined to hold market-friendly views if one's personal experience of other markets is positive. These reflections would benefit from research which is unfortunately beyond the current scope.

4.5.2 Party Preferences

Finally, I explore the hypothesis that the relationship between homeownership and left-right orientation is reflected in the relatively less underlying party
preferences. In particular, I investigate if homeownership is associated with preferences for a party in the right-wing 2006-2014 government coalition, as this should capture citizen perceptions about how the left-right conflict around the Swedish welfare state materializes (Oscarsson & Holmberg, 2013a:234ff). This is done with binary logit estimation presented in Table 4.10. Column 1 gives the main relationship. Everything else held constant, homeowners are significantly more likely to prefer a party in the right-wing government coalition than tenants. The average marginal effect associated with homeownership on the probability of preferring a government party is 8% (p-values below 0.000).

In columns 2 and 3 of Table 4.10, I split the sample according to whether the respondent lives in a major city area or not. The price pattern reappears. It is seen that the relationship varies some according to whether the respondent lives in a major city area or not. The difference in block party preferences between tenants and homeowners follows the predicted price pattern. The average marginal effect outside major city areas is 6% (p-values around 0.01). Inside them it is 11% (p-values below 0.000). These are among the strongest marginal effects recovered in this thesis. Splitting the sample according to municipal detached house-prices instead (not shown) unveils a pattern similar to the one in panel A in Table 4.6 which is stronger than the pattern in columns 2 and 3 below.

To summarize the whole analysis, I do recover a relationship between homeownership and left-right orientation in Sweden. Homeownership is associated with a more rightwards, or perhaps better, a less leftwards, self-placement (recall that the relationship is driven by class groups who are pushed to the middle). The relationship remains under control for confounding factors, and seems insensitive to particular model choices. It is clear in terms of significance, and I will return to its size shortly. Arguably more important than the size of the main relationship, the relationship is consistently stronger in areas were house-prices are comparatively high. Indeed, I find no relationship in low-price areas in the most detailed specification (Table 4.6A). It remains when I consider specific issue or block party preferences instead of left-right orientation. It also proves fruitful to look for different relationships in different groups. The results suggests that home-
ownership may play its most substantial role in pushing white collar or other service worker groups in major urban areas further from the left, possibly because they live in areas where house values are the highest, and because the political orientation of already-right-oriented people is somewhat insensitive to home-ownership due to a ceiling effect.
5 Discussion

Below, I assess the general relationship and its plausibility. I also touch upon its size. I then consider the group-specific differences, and end with some political implications. Reflections on further research are interwoven throughout.

5.1 General Assessment

I have argued that homeownership should matter for left-right orientation in contemporary Sweden and I have found that this is so. Homeownership (and perhaps also the ownership of other less widely held assets) is a variable to consider in contemporary analyses that relate political views or vote to socioeconomic factors. As such, it really is an omitted variable. I further hypothesized that the relationship should follow the asset value of houses and found that higher values are associated with more rightist views of owners, just like higher incomes are associated with more rightist views of labor market participants (cf. Berglund & Oskarson, 2010). The price-pattern reaffirms the plausibility of the results. Another observation that reaffirms their plausibility is the fact that Berglund & Oskarson (2010:192f) find that the seemingly only independent relationship between objective class-position and left-right ideology concerns small employers. They propose that there is something inherent to ownership of businesses that orients one rightwards. By analogy, it may be that private ownership in general really has an independent effect on left-right orientation, perhaps by giving people an experience of markets. Once more, recall that housing probably is the most valuable financial asset to many, if not most, households (Boverket, 2009:6), and that households often expect prices to keep rising even when such expectations could be perceived as irrational (Ansell, 2014:387).

For the causal theory, the fact that the relationship follows price variations in the predicted way is crucial. This pattern is clearly consistent with the notion that homeownership has an asset-aspect affecting economic circumstances which in turn influence political orientations. Indeed, in the most detailed specification (Table 4.6A), I find no association between homeownership and left-right orientation in areas where prices are relatively low. The egotropic price pattern is robust to different types of regional coding and it is reaffirmed by the insensitivity of tenants to house-prices. Furthermore, it is not explained away by Stockholm idiosyncrasies (which in any case would not alter the substantive importance of my findings), which I discuss below in section 5.4. This reaffirms that there is something more general at work.
While egotropy served well, the theory of ontological independence has not been tested (I have hardly considered its testability or ways to relate it to egotropy in a mutually exclusive way). Thus there is no real room for comparisons. However, future research should investigate an analytical distinction inspired by the results in Table 4.9. It is seen that a difference in left-right orientation is reflected in differing views on some issue preferences. A thorough analysis of these preferences remains beyond my scope, but the left-right orientation of homeowners seems relatable to views on redistribution and some privatized, or marketized, welfare services rather than to issues of taxing, public sector size and welfare state services in general. One may distinguish between egotropy as the notion that the private economic situation matters for political views, and the notion that a positive experience of market processes also matters for political views. I have not seen this distinction anywhere in the literature. My analysis has been inspired by the first notion as expressed both in studies on preferences and in the macro-relationship literature. But arguably, the results are at least as consistent with the second notion.

I have stressed that egotropy served as a theoretical link, a way to conceptualize a mechanism. This retains the causal aspect of the theory while steering clear of rationality and socialization which I argue would demand more space and data to conceptualize and operationalize. It would be interesting to consider survey questions that tap directly into homeowner perceptions about the financial value of their home, their readiness to use it in case of need, ownership-related expenses, and their perceptions about how parties treat them as homeowners (or tenants). In this way, it would perhaps be possible to determine to what extent homeowner preferences are due to their finding rightist policies to be more in line with their orientations and to what extent they are due to them finding that right-wing parties treat them better as a group. Perhaps, the use of in-depth interviews could serve as a complement here. It could perhaps also help understanding how house-prices influence left-right orientation via egotropy or market-friendliness, and it could thus help understanding the finding that homeownership relates to some issue preferences and not to others.

5.2 Size of the Relationship: Lack of Reference Points

Compared to the effect associated with income, the marginal effect of homeownership is noteworthy. On average, homeownership corresponds to an increase in yearly household income of more than 100,000 SEK. But the existence of an independent relationship between homeownership and left-right orientation are more in focus than its magnitude.\textsuperscript{33} I prefer leaving the assessment about the size of the general relationship here. To say more, it would be preferable to have a

\textsuperscript{33}cf. Duch & Stevenson (2006), who link their research to the large literature on sociotropy and use 163 national surveys to find that one's perception of the national economy has a median marginal effect of 5% on the probability of voting for an incumbent party. They do not comment upon this size.
large set of reference points across nations over time (cf. Esaiasson et al, 2012:145ff). Since homeownership is relatively uncharted territory, comparisons to other countries cannot be made. This points to the need for studies concerning homeownership in different types of welfare states over time. Such studies could also allow an assessment of how the importance of homeownership differ in settings where welfare state policies are more or less universal and generous. They could also show how the effects of high house-prices vary over institutional settings. A hypothesis would be that in less decommodifying welfare states, individual assets matter more (cf. Stephens, 2003:1015). It would also be of interest to compare the role of homeownership according to housing policies and the political treatment of tenure forms. Here, one may hypothesize that homeownership plays a more politicized role in countries which unlike Sweden have outright social housing.

5.3 Group-Specific Differences

Instead of discussing the size of the general relationship, it is more meaningful to discuss how its systematic variations. Considering group-specific relationships has yielded interesting insights. Methodologically, this is clearly a strategy that could prove rewarding. While retirement is not associated with homeownership as theory would suggest, I have uncovered class-group variations, and variations according to party block preference.

Broadly, homeownership seems to be especially relevant for left-right orientation among farmers and in some quite large groups of white collar workers. Of course, many in the latter groups do not live in declining economic areas. They rather live in the very same regions where homeownership is found to be associated most strongly with a rightward move on the left-right dimension. I remind the reader that this rightward move is really a move toward the middle, but that this may entail less amenability to leftist policies. These groups, within these areas, appear to drive the relationship. Within them, homeownership seems to influence, and weaken, the relationship between class-group and left-right orientation. For homeowners other leftist-oriented groups, it may be that these tend to own lower-valued houses, or that their labor-market position in some sense is firmer.

When differing according to block party preference, these relatively leftist class groups are probably captured again, albeit in a more noisy manner. And the strategy is slightly sensitive to the inclusion of the supporters of the Swedish Democrats. Here, two more things should be noted. Firstly, if the strategy holds, it seems to suggest a ceiling effect among right-wing government party supporters. These are already to the right, and homeownership does not change this, even if I consider a regional differentiation according to prices. To some extent, a finer coding of the dependent variable could perhaps give insights into the validity of this finding. For opposition-party supporters it is different. Here, a ceiling effect is plausibly absent, and I do recover an albeit comparatively weak association with a
less leftist orientation. A regional differentiation strengthens the relationship, although the number of observations is comparatively small. Secondly, the findings for left-wing party supporters rhyme badly with results that these should be (relatively) insensitive to their economic situation (Karadja et al, 2014; Margalit, 2013; Ansell, 2014). Our different findings may be due to two things: I do not study individual-specific changes over time. Nor can I differentiate directly according to baseline ideology. Instead I proxy for it with party preferences.

5.4 Party Preferences and Political Implications

Results regarding the more specific welfare state issues have been touched upon above, but what about party preferences, a variable of more immediate importance? In Table 4.10, the association between homeownership and a more rightward self-placement in the left-right dimension is reflected in party preferences. These preferences are accompanied by a comparatively strong marginal effect on the probability of preferring a government coalition party, especially in high-price areas. As mentioned, it cannot be concluded if this is because homeowners agree with the politics of these parties in general or if they find that these parties have better policies for them. This question relates to the supply side of politics, which I have kept within parenthesis since the introduction. I end by raising this parenthesis.

Although I would argue that political decision-makers are more important for homeownership rates and welfare state spending, the results here indicate that homeownership may very well be one (reinforcing) link in the negative correlation between these aggregates. To empirically trace this link in Sweden would require analyses over time, which is a fully realistic project. Such a project would clearly have to consider the supply side of politics, the political treatment of tenure forms and the different roles of homeownership given Swedish welfare state changes. The actual importance of homeowners as an electoral group (e.g. compared to political decision makers) for macro-level outcomes in Sweden remains beyond the scope of this thesis, and data have not even allowed us to consider either actual voting or voting intention (although party preferences come close), let alone government responses to homeowner preferences. But the potential relevance of homeowners to the political landscape merits some reflections.

Even a small difference may become more important for aggregate social preferences, and policy, if the group of homeowners increases (cf. Kitschelt & Rehm, 2014). Recall that this proposition is consistent with what Ansell (2014) finds at the cross-country level: Rising prices affect policies more in countries with rates of ownership above the median of 62% (given that right-wing parties are in office). And remember that Sweden belongs to this category. Although it may be best to think of homeownership as being associated with a more middle orientation in some large leftist groups, I uncover comparatively strong marginal effects on right-wing party preferences, particularly in major city areas. These
areas account for roughly a third of the electorate, and have problems of housing shortage which are the object of much political debate. This suggests a dimension to housing policy beyond considerations concerning social mobility, the possible benefits of private ownership, the importance of housing for economic growth, etc: The current leftist Swedish government may have an additional cause for trying to moderate house-prices increases, increasing the construction rate of rental apartments and assuring that these become a relevant choice for different social groups. (On the last two points, EU rules may imply a challenge; Bengtsson, 2013; Gruis & Priemus, 2008.)

Furthermore, the difference in political orientation between homeowners and tenants may very well depend on house-price changes over time, which are also influenced by politics, both general economic policy and housing policy. Given the price increases, political decisions affecting the housing stock composition may really have contributed to the underlying displacement of the electorate that Oscarsson & Holmberg (2013a) register. Such a displacement could be an unintended consequence of housing policies (cf. Pierson, 2004:115ff), but it cannot be excluded a priori that Swedish parties, similar to British ones, have not had this effect in mind. To investigate these issues would require bringing in party politics, and relating differences in political orientation according to tenure form over time to housing stock changes. The time dimension would then allow some further exploration of how price changes influence the importance of tenure form for political orientation, and of how the relationship is sensitive to particular party campaigns and current debates as well as other welfare state policy changes.

A last political concern brings us back to group-specific relationships and party preferences. It is often argued that winning the votes of the middle class of the inner city of Stockholm is very important in national elections. As suggested above, the housing market in Stockholm may be special for several reasons. For instance, the use of right-to-buy policies and ownership-related tax credits are more common here. And prices are higher and rising more acutely, which allows for a more speculative view on housing. But housing could very well help explaining a general comparatively rightist baseline orientation here, and well-grounded discursive research on the meaning of homeownership inside and outside Stockholm (or high-price areas), where both citizens and politicians are studied, can be rewarding.

Of course, the importance of investigating the political meaning of the relationship between homeownership and left-right orientation, as well as its significance in time and space, are based on the primary conclusion: in this thesis, I have unveiled a hitherto unnoticed consequence of housing policy outcomes, a relationship that helps structuring the political landscape in Sweden.
6 References

6.1 Data


6.2 Public Statistics


Statistics Sweden d = Befolknings (HEK) efter ålder, kön, boendeform, tabellinnehåll och år [electronic] Available at: http://www.statistikdatabasen.scb.se/pxweb/sv/ssd/START_HE_HE0103_HE0103B/BefolkningAlder/?rxid=e6abd5c6-d494-4192-8e59-7e0dea40c5e3 Accessed on 2015-02-06.

6.3 Literature


Oscarsson, Henrik & Sören Holmberg, 2013b. SCB, Allt mer rörliga väljare: vad är nytt och vad är gammalt? SCB.


Appendix

Each dependent variable in Table 4.9 has five response alternatives: “very good proposal”, “rather good proposal”, “neither good or bad proposal”, “rather bad proposal”, and “very bad proposal”. Certain dependent variables are recoded according to the text.

Each question starts with the words “What is your opinion on the following proposal”. Column by column, the continuation is worded as follows (my translations):

1. ”Reduce the size of the public sector”
2. ”Lower the taxes”
3. ”Reduce the income differences in society”
4. ”Raise unemployment benefits”
5. ”Raise municipal and county taxes rather than cutting down on services”
6. ”Give more support to private schools”
7. ”Let private companies run eldercare”
8. ”Run a greater share of health care privately”
9. ”Prevent companies to run hospitals in order to make a profit”
10. ”Profit distribution should not be allowed in tax financed care, education and healthcare”

The data reference links to the codebook.