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COMMENT

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Housing, Inequality and Sociology: A Comment on Pragmatic Socioeconomics

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ABSTRACT
In this brief article, we reflect on the contribution of Martin Lux and Petr Sunega to the role of sociology in the domain of housing economics. Applauding the attempt at injecting a more sociologically informed housing economics, we draw attention to the continuous need to guard against over-abstraction and to ensure that housing's role as a major source of material inequality in many societies must be fully recognized.

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Extending a dialogue between sociology and economics, as Lux et al. in this issue explain, has never been easy, given that the two disciplines tend to adopt very different approaches. Whilst many proclaim the need for interdisciplinary cooperation, this has often proved elusive. Yet, as Lux et al. point out, there are good reasons for dialogue, not least because both disciplines can provide an important heuristic to the field of housing studies and complement each other's shortcomings. It barely needs stating that housing is now a central component of economic activity, and, by extension, it is a key influence on daily social life and the life of households.

It is clear that there are many sociologists who take little from mainstream economic articles on housing. This omission can only partly be explained by the technical language deployed by economists. More significant, in our view, is that there are many critical sociologists who remain frustrated by the narrow parameters within economics and the reluctance to address wider "housing" debates with respect to wealth, housing class, inequality and the systems-level forces that produce and shape many such outcomes. In addition, a decade of austerity and a widespread social fragmentation can be traced to the housing finance models and the normative claims of economics predicated on social inequalities and obfuscation. When housing economics is enacted, it tends to form part of a deeply pro-market orientation (call it neoliberalism if you wish) designed to bring dividends to capital with only scant regard to those people whose homes were in many cases lost as a result of the economic meltdown that ensued. In this sense, a dose of critical sociology would be

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a good thing, not least in helping to foreground social consequences, prevailing inequalities and the housing (and political-economic) system's role in reproducing and amplifying these outcomes.

With the benefit of over a decade of reflection and critique, economists such as Lux have been among the voices within his discipline seeking to somehow "socialise" and make more relevant the focus and analysis of economics. These voices calling for economics to become more social mirror the concerns of many non-experts who have rightly asked why an apparent social science repletes with claims to advance, predictive knowledge did not foresee the 2008 financial crisis. One explanation is that economics indulged in the kind of exuberant recklessness explored by Minsky, in his 1970s critique of governmental economic management. Over 40 years on since Minsky students of politics, economics and society continue to ask why, in pursuing with real energy the study of a discipline claiming to have such answers, the abstract modelling presented in classrooms tells them little that is useful or applicable to advance a more equitable society.

The failure of economics to predict the 2007 financial crisis can be partly traced to the ascendancy of economic rationalism within the discipline and the unwillingness of mainstream economists to address concerns such as poverty, homelessness, eviction and repossessions, the underfunding of social care in domestic settings and the plight of low income renters. In all of this, the culpability of economists, financial institutions and central governments has been noted, but rarely if anywhere acted upon. On the brink of emerging from a new financial crisis, generated this time by a pandemic, there is surely scope to commence economic and sociologically informed investigations that address questions about pre-existing tenurial divisions, the significance of class advantage in housing markets and the role of interests groups in maintaining privilege.

Now that these general observations have been set out, we turn to some other points raised in the article. The key question framed by Lux et al. is how social norms become established and how in turn these inform tenure choice. They answer this question primarily through a consideration of economic volatility, interest rate setting and political support for owner occupation. All of this is being welcomed, but we find less in Lux et al's article than we might personally have hoped for, and the precise terrain of a sociological economics of housing rendered less clearly or fully than we might have anticipated. Perhaps this is because Lux et al see disequilibrium in housing markets as determining social inequality, where we would suggest that such market disequilibrium is itself a symptom of inequality.

It is noted that there is much we would endorse. Housing is perhaps the single most important basis on which opportunity and life chances accrue. In many societies, ownership has therefore become a fundamental source of identity, status and the very basis of acquiring a range of other "goods" in life. One's access to wealth opportunities, whilst never simply attributable to earnings, has changed fundamentally and there is now a need to pay attention to household assets and how these enable intergenerational cash transfers. All of this analysis is required before we even get to investigating the role of banking and other financial institutions as they bundle-up, purchase, sell and trade in homes as part of a broader process of "financialisation" of which the market in homes is now a significant element.

Any sociology of housing must engage with economic activity. It must ask how social influences are experienced or run through as forces shaping the production, consumption and experience of housing as it is witnessed by households and individuals. This is, in one sense, the basis for all sociological interpretations of housing. However, what tends to happen in more purely economic analyses is that exchange between the buyer and the seller is taken as the primary focal point without sufficient attention being paid to the occupants of that housing, their views, beliefs and chances in life. We might hope then that a more sociologically informed economics of housing would help to integrate these issues with a recognition of the material, economic realities of housing systems. Perhaps critically, we would want to suggest that any account of the social basis of the economy, considered in terms of housing, should view its terrain as being more than simply the operation of markets, or the state resolution of market problems, as is so often the case.

A feature of many sociologically informed economic papers is the space devoted to justifying the robustness of methods. Yet this often means that the broader societal relevance of the findings is side-lined. A failure to explain the wider relevance in sociological analysis was labelled by CW Mills as abstracted empiricism. Lux et al. make the case that economics and sociology can be advanced through what they term pragmatic economics, but we would have like to have read more about how their insights extend our existing knowledge of housing markets and perhaps what such pragmatism really entails. This quibble risks the allegation of hubris, but we remain convinced that an effective *economic* sociology of housing must be grounded in a critique of systems (a teasing apart before reassembly), a close interrogation of social-economic realities and a querying also of the apparently concrete nature of tenure and politics, which are ultimately human and thus forces capable of being changed, as well as analysed. We would also have like to have read a bit more on their claim that relinquishing social theory may lead to more interdisciplinary success.

One risk of housing economics is that its parameters are often confined to discussions of house price models, questions of unending expansion of the housing stock and how to achieve this. There is a normative assumption in the article that homeownership is always superior to other tenure. Yet there is nothing intrinsic about homeownership being superior rather it is the political configurations in place that have led to the privileging of homeownership and its relative advantages. By foregrounding these, issues, sociology can serve as a critical friend to help to disentangle the assumptions that underpin economic models while integrating other vital elements of social life (such as the systems of politics and culture) that interact with those assumptions. In turn, housing economists might take more notice of the sociality of households and how these interactions shape decisions. This avenue can be progressed literally in terms of engaging with households in research, or more indirectly by exploring how housing constitutes a foundation of the wider entity we label the economy. A more economically informed sociology of housing and a more socially aware economics rooted in houses and households would clearly be no bad thing.

More broadly, we would also ask economists to identify social injustice as one of their primary concerns and for their analysis to consider questions of systematic disadvantage and exclusion. Whether better house price modelling will help housing sociologists is certainly a point for discussion in the conference circuits as they begin to reconvene as we emerge from COVID. Devising ways of offering more owner occupied housing or establishing a greater equilibrium of supply and demand is not a sufficient response. Ultimately, housing economics, as this article authored by Lux and Sunega suggests, must extend its disciplinary reach, desist from construing market principles as a foundational ontological reality and interrogate further the economic and social arrangements that sustain contemporary housing.

Disclosure Statement

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