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HOMEOWNERSHIP, SHAREOWNERSHIP AND COALITION POLICY

Jed Donoghue, Bruce Tranter and Robert White

The rise in private shareownership has been a striking feature of Australia's political economy over the last decade. This paper compares its implications with those arising from the widespread homeownership, that occurred from the Menzies years onwards.

Noting an apparent similarity between Menzies' vision of Australia as a 'home owning democracy' and Howard's encouragement of Australians to see themselves as members of a 'share owning democracy,' Troy (2000: 736) points out that Howard:

does not seem to recognise that there are significant differences in the levels of citizen competence between the two conceptions. In his notion of a home owning democracy Menzies lauded notions of security, continuity, predictability and community whereas the notion of a share owning democracy implies a more mobile, speculative response to society and its fabric.

As Troy (2000) observes, the Coalition would not advance policies on private shareownership without the hope of electoral advantage. This expectation in itself is worth attention, since it has been little studied in the literature. The electoral implications of increased shareownership in Australia are a primary concern of this paper. In addition, we test Troy's suggestions that homeownership and shareownership imply very different expressions of 'social citizenship' or 'civic engagement' and that shareownership may 'weaken' rather than 'deepen' the quality of community life (Howard 1999).

We first note tensions between notions of property 'ownership' and 'civic engagement'. As many social commentators have noted, (e.g. Marshall 1950; Barbalet 1988; Turner 1993; Connell 2002) there are contradictions between the capitalist acquisition and ownership of property and the communal membership and participation of citizenship. After sketching Coalition positions on the two forms of ownership and showing the material changes that have accompanied them, we use data from the 2001 Australian Election Study (Bean *et al.* 2002) to examine their implications. Comparisons of homeowners and shareowners show that they are electorally and civically distinct. Electorally, the Coalition appears justified in its expectations about shareholders, for the evidence shows them to be about twice as likely to support it as non-shareowners. By contrast, homeownership is not electorally significant, with the exception of those living in public rental housing who tend to support Labor over the Coalition.

Our analysis lends support to Troy's (2000) suggestion that homeowners and shareholders differ on a range of measures of civic engagement. It seems then that rising shareownership does not bridge the social divisions as envisaged in Coalition policy. These mixed results for the Coalition are also mixed results for the ALP. While Coalition supporters are more likely to buy into the share market, once in, they become even more likely to vote for the Coalition parties. If the pool of share investors has reached a natural limit, as the stock exchange data indicates, the potential benefit for the Coalition of pursuing such a policy may also have peaked. Given the strength of private investors' support for the Coalition, however, ALP advocates of shareownership, like Mark Latham, also need to reassess their policies.

Homeownership, Shareownership and Liberal Policy

The rise in shareownership in Australia puts a classical problem back on the liberal-democratic agenda: the place of 'ownership' in the reconciliation of individualism and collectivity. From Locke to neo-liberalism and the sight of people 'bowling alone' (Dean and Hindess 1998; Putnam 2000), 'citizenship' has been linked with private 'ownership' (e.g. Marshall 1950; Barbalet 1988). Ownership is both a

mark of social membership and the entry ticket to political participation, and liberal politicians have seen its development as a prime obligation of the State. Support of private homeownership is then a way for the State to meet the 'right' to housing that emerged along with other civil, political and social rights associated with modern citizenship (Saunders 1990a; 1993).¹

In their rhetoric at least, the Coalition parties have always been committed to a liberal sense of 'individual freedom and free enterprise' (e.g. Liberal Party 2001a), and their positions on homeownership and shareownership reflect this overall stance. Thus, homeownership was a central plank in Menzies' appeal to the 'forgotten people' as he assembled the internal coalition that became the Liberal Party and then led it into its first long term in power (Brett 1992). This policy was materially successful.

Home ownership was the stake in the country. What bound the residents to their stakes were their mortgages. The notion was that once they had a target, some equity to hang on to or to strive for, householders would think and behave like capitalists (Troy 2000: 720).

By the late nineteenth century, when class divisions in Australia were strong, commentators were already praising 'the access of working people to this form of housing in the working man's paradise' (Troy 2000: 722). From 1911 to 1947, homeownership in Australia had remained at around 50%; but since 1961, when the country had the world's highest levels of private homeownership, it has been steady at around 70% (ABS 2002). The extent to which this shift reflected assent to liberalism as such is uncertain.

¹ A parallel is seen in citizens 'rights' to social welfare, which, in liberal terms, is best fulfilled by private participation in the market as shareowners (Anderson 2002: 214). Further, critics of various persuasions have denied that social order can be explained as a social contract between individual property-owners motivated purely by self-interest (e.g. Marshall 1950; Durkheim 1964). For example, Durkheim struggled with the problem of maintaining social solidarity in the face of increasing individualism, while critics of market oriented social policy argue that it can undercut the communal basis of the polity, as the market operates on values at odds with social citizenship (Barbalet 1988: 77; Connell 2002: 7).

Parliamentary support for homeownership has been bipartisan, and throughout the enactment of his policies on it, Menzies was backed by trades union, including some of those under Communist leadership (Troy 2000: 726). Nevertheless, the fact remains that he presided over the quantum jump in homeownership, as one mark of his successful tapping of long-held aspirations in Australia. Current Coalition policies echo those set in place by Menzies. The First Home Buyers Scheme, for example, is explicitly pitched to the 'Great Australian Dream' (Liberal Party 2001b).

While levels of shareownership increased rapidly under the previous Hawke and Keating Labor governments, Howard has also presided over a quantum jump in ownership. A rise in shareownership that is comparable in scale to the rise in homeownership under Menzies has occurred during his term in office. We show this from the results of surveys conducted by the Australian Stock Exchange (ASX 2000, 2001). It found that in the 1990s the number of direct and indirect shareowners in Australia more than tripled, to a combined level of around 52% in 2000. 'Direct ownership' refers to shares or units in a trust that are bought through a broker, received as an inheritance or gift, or allocated in a demutualisation or employee share scheme, and 'indirect ownership' to investment in either a managed fund or a personal superannuation fund that is invested partly or wholly in the stock market. The shift is clear in Table 1.

Table 1: Percentages of Adult Australians who were Shareowners (Direct and Indirect Combined)

Month	Year	%
December	1991	15
May	1997	34
November	2000	52

Source: ASX 2000.

As with homeownership, Australians have led the world in their enthusiasm for the market. By 1999, they had the world's highest levels of private shareownership, outstripping even the exemplar of capitalism,

the United States. In Table 2 we show the ASX's comparison of Australia and other countries.

Table 2: Comparative Incidence of Shareownership, November 1999

Country	Direct	Total
Australia	41	54
Canada	26	52
USA	32	48
UK	30	40
New Zealand	31	38
Germany	13	25

Source: ASX 2000.

Our comparison of Menzies and Howard on the scale of this shift is Howard's own, for he has claimed an aspirational identity between the move to shareownership and the earlier rise in homeownership:

The founder of the Liberal Party, Sir Robert Menzies', proudest boast was that he created the greatest homeownership democracy in the world. It's my goal to make Australia the greatest share owning democracy in the world and I think that is an aspiration that many people in middle Australia share ... (Howard 1998).

The equity held by shareowners defines them as small-scale capitalists, and, as Joe Hockey then Minister for Financial Services and Regulation, said in a speech on the role of corporate governance in the protection of small shareholders, the Coalition aimed at extending capitalism beyond the top end of town:

Owning shares and being involved in issues of corporate governance is not about the interests of the trade union movement, it's not about a hobby to fill in spare hours, and it's not about narrow, elitist agendas. It is about creating wealth for Australians and this Government is very focused on that outcome. This Government has delivered for Australian shareholders (Hockey 2001a).

The Coalition fought on that basis in the 2001 election. Remaining 'quite sure that generally speaking the broadest possible share ownership we have in Australia is a good thing', and being 'heartened by the fact that Australia is now the largest share owning democracy in the world' (Howard 2000), Howard stressed his record of 'encouraging the development of a culture of saving and investment from the earliest age possible' (Howard 2001b). Before and after the election his financial ministers reaffirmed that the Coalition was 'unashamed in its support of freely operating market forces' (Hockey 2001a), and that it was committed to a 'dynamic free enterprise society' (Campbell 2002).

As with homeownership, the rising level of shareownership need not reflect a widespread commitment to either liberal individualism or 'progressive liberalism' (Argy 1998). Several indicators show that other loyalties and motivations are in play. As in the current public doubt over further privatisation of Telstra, Australians have traditionally looked to a blend of public and private ownership (e.g. Braithwaite 1988; Western 1999). The rise in private investment began during the Hawke and Keating years. The ALP supported the demutualisations and privatisations of the late 1990s that brought millions of new investors to the market. The ACTU has also backed at least some aspects of shareownership, as when Sharan Burrow (2000) held that superannuation and employee share acquisition schemes meant that unionists should no longer see their interests and those of shareholders as necessarily opposed.

Furthermore, to claim a continuity and aspirational identity between homeownership and shareownership is to elide differences in economic context. Governments of all persuasions have found that support for homeownership is useful in stimulating the economy. Although this micro-economic tinkering remains central to Coalition policy on homeownership (e.g. Howard 2001a), quite different dynamics appear in policies on shareownership. These appear to be influenced more by continuing fiscal constraints rather than by economic hiccups. The recent focus on the ageing of the Australian population, with its effects of a shrinking tax-base and rising demands on health and welfare services, is just one example of repeated warnings that the provision of welfare cannot be sustained at previous levels. Against that background, both the

Coalition and the ALP have developed policies on self-support in retirement: superannuation is one vehicle; shareownership is another. So just as some Communist-led unions in the 1950s backed Menzies on homeownership for the creation of jobs in the building industry rather than through any commitment to private property, non-Coalition support for shareownership may be more a pragmatic response to perceptions of fiscal crisis than a sign of conversion to the free market.

The meanings of shareownership are then imbued with all the uncertainty associated with individual ownership and different senses of communal belonging and membership. We focus on two empirically accessible issues, the first of which is the electoral effect of shareownership. If Howard is right to identify his electoral success with Australia's emergence as 'the greatest share owning democracy in the world,' then, to take a broad brush, shareowners should tend to be supporters of the Coalition rather than the ALP. If this effect does appear, however, it would suggest a difference between shareownership and homeownership as expressions of citizenship, since homeowners' support for the Coalition is at best muted (Troy 2000; McAllister, 1984).

This suggests our second issue: the civic implications of shareownership, or what Troy (2000: 736) called the 'level of citizen competence' that it entails. The participatory face of liberalism is clear in Howard's simultaneous aims to create a shareowning democracy and 'to deepen the quality of our community life' (Howard 1999). Readers of his speeches will know how often he appeals to the notion of 'the community.' Here he echoes Menzies, who designed his policy on homeownership 'to produce a patriotic, co-operative and cohesive society' which was also 'docile and compliant' (Troy 2000: 718). Yet, while Liberal politicians have sought to influence political behaviour by encouraging ownership, perhaps successfully, evidence in support for the position that civic engagement is enhanced by home or shareownership is scarce. Both Barbalet (1988) and Marshall (1950: 122) have pointed out contradictions between capitalism and citizenship, while the tensions in Coalition policy in relation to shareholders identified by Troy (2000) suggest that ownership may constrain, rather than deepen, community engagement. Free market principles of competition, and shareowner concerns over 'bottom lines' and dividend payments, appear to be at

odds with notions of mutual obligation, and the norms of reciprocity implicit in community engagement (Putnam 2000, 20).²

On the face of it, then, we should expect shareowners to be less active in civic organisations than non-owners, and to be also less active compared to homeowners. Counting against these expectations, however, is evidence that the civically engaged tend to have higher incomes, and to be well educated (Putnam 2000: 94), both correlates of shareownership and homeownership (Tranter and White 2001). These findings muddy the waters somewhat, and introduce confounding influences to our expectations.

While a certain amount of evidence does link homeownership with increased levels of civic or communal participation (Saunders 1990a: 1993), other researchers have warned against 'the glib association of homeownership with responsible citizenship, social stability and industrial peace' (Winter 1994: 6). Similarly, if the 'principle of economic survival of the fittest operates in all competitive markets' (Hockey 2001b), then it is hard to square Howard's 'community' with his fostering of shareownership. The investors red in tooth and claw that Hockey evokes seem more likely to go 'bowling alone' (Putnam 2000) than to deepen their civic engagement and the quality of community life. The only way to ascertain the veracity of these claims regarding associations between ownership and civic participation is therefore to subject them to empirical scrutiny. We return to these issues in the final section of this article.

Data

Data from a large national survey, the 2001 Australian Election Study (AES) (Bean *et al.* 2002), allows us to test these expectations.³ The AES

2 Putnam (2000, 20) explains that reciprocity can be specific: "I'll do this for you if you do that for me" or generalized: "I'll do this for you without expecting anything specific back from you, in the confident expectation that someone else will do something for me down the road".

3 AES data were obtained from the Australian Social Science Data Archive in the Research School of Social Sciences at the Australian National University.

was conducted via mail-out to a nationally representative sample. The number of cases, 2010, represents a response rate of 55%. The survey included questions on homeownership and shareownership, on party voting, and on behaviour that we construe as measures of civic engagement.

The data on both forms of ownership have a certain face validity. For homeownership, we checked the AES results by comparing the distribution of housing tenures found there with figures reported by the Australian Bureau of Statistics (ABS). This comparison is shown in Table 3.

Table 3: Distribution of Housing Tenures in Australia

	1999-2000 (ABS, %)	2001 (AES, %)
Outright Homeownership	38.4	41.9
Home under Purchase	32.2	32.3
Private Rental	20.1	11.7
Public Rental	5.6	4.1
Other	3.7	10.0

Sources: ABS 2002; Bean *et al.* (2002).

The ABS and AES estimates for mortgagees are almost identical. However, the AES appears to have slightly over-sampled outright homeowners, but under-sampled private renters substantially, while the 'other' category is much larger than the ABS survey estimates. In order to adjust for these discrepancies, we weighted the AES data according to estimates from the ABS Survey of Income and Housing Costs for 1999-2000 (see Appendix for details). We then proceeded to operationalise housing tenure in the statistical (regression) models by contrasting public renters, private renters, and those who have a mortgage, with outright homeowners.

The AES question on shareownership read: 'Do you own shares in any company listed on the Australian Stock Exchange (shares registered in your name or that of your family company)?' That is, the question referred to 'direct ownership' under the ASX's definition. It resulted in an estimated proportion of 44.5%; whereas the figure from the closest

ASX survey, conducted in 2000, was 40%. We note the slight discrepancy with these estimates, but take the figures as roughly comparable. Further, since another question in the AES asked respondents who did own shares to indicate the year in which they first entered the market, we can distinguish between those who were shareholders before Howard assumed office in 1996 and those who started investing later.

Finally, we operationalised four measures of civic engagement. As Putnam (2000: 49) puts it, 'membership in formal organisations is only one facet of social capital, but it is usually regarded as a useful barometer of community involvement'. Bearing this in mind, we used a question from the AES: 'Are you an active member of any of the following voluntary organisations, an inactive member or not a member?' We selected sport or recreational organisations, art, music or educational organisations, and charitable organisations as measures of civic participation.⁴ We also included a variable to measure participation in a variety of important Australian organisations currently suffering a decline in membership – the trades union.

Analysis

The AES data were analysed with SAS version 8. In the first phase of the analysis we used logistic regression to predict political behaviour on the basis of homeownership and shareownership. The dependent variable - major party voting in the House of Representatives - was modeled in binary terms (i.e. Coalition versus Labor with other responses omitted). In the later part of the article, we examine participation in voluntary organisations. We contrast active members with non-members of sporting, cultural and charitable organisations. In addition, we consider membership of trades union as another aspect of civic

4 We omitted the fourth organisation listed in the AES - professional organisations - from our analyses. As professional organisations is a somewhat vague concept, and as their membership overlaps with the membership of trades union, we decided to analyse trades union membership as a more valid measure of civic participation.

participation, again on the basis of home and shareownership, with appropriate controls.

Because shareownership and homeownership are positively correlated, that is homeowners tend to also be shareowners, and owning houses and shares are both associated with higher incomes (Tranter and White 2001), we adopted a multivariate approach (i.e. multiple logistic regression). The advantage of such an approach is that the net, or separate effect of each independent variable on the dependent variable can be estimated, when we hold constant or statistically 'control' for other independent variables in the regression model (Fielding and Gilbert 2000: 271).

Key control variables are included in all regression models, including a dummy variable to control for gendered differences in voting and civic participation (men versus women), and age measured in its natural metric. We also included tertiary education and high income (\$70,000+ per annum) as control variables. The controls are important, as they are all predictors of home ownership and/or shareownership (Tranter and White 2001). By adopting a multivariate analysis we are able to estimate the net, or separate effects of owning shares, and of housing tenure on voting behaviour (and civic participation), when the possible confounding impact of income and other socio-demographic influences is held constant.

A measure of social class is also added as a control to our regression models. Even in the so called 'home owning democracy' of Australia, class is strongly related to housing tenure, with middle class people much more likely than working class people to own their own homes (Rex and Moore 1967; Merrett 1979; Ball 1983; Saunders 1990b). Class is also clearly associated with owning shares, as indicated by the fact that higher income earners, and the well educated, are overrepresented among shareowners (Tranter and White 2001). Capturing the multidimensional nature of class relations using survey data is somewhat problematic, although there are several precedents. The Neo-Marxist, Eric Wright (1985), for example, constructs complex class models on the basis of occupational location, employee supervisory status and organisational size, while the Neo-Weberian, John Goldthorpe (1987), operationalises class in occupational terms.

We decided to adopt a parsimonious approach. Rather than considering the 'objective' class location of respondents using complex models of class that involve the introduction of several independent variables to the regression equation, we employed self-identified class location - a 'subjective' measure.⁵ As such, a single dummy variable was constructed to contrast the self-identified 'upper' and 'middle' classes, with those claiming 'working' class, or no class location.

As all of our dependent variables are dichotomous, and as we wish to explore relationships between them and several independent variables using a multivariate strategy, multiple logistic regression analysis is an appropriate technique (Long 1997). We presented odds ratios in the regression tables in order to facilitate interpretation of the regression estimates.⁶

5 The questions from the 2001 AES was: "Which social class would you say you belong to? Upper class; Middle class; Working class; None". While one could debate the advantages of employing 'objective' versus 'subjective' measures of class for our purposes, the two are associated strongly (Kelley and Evans 1995). We therefore chose the most parsimonious model.

6 The regression results presented in Tables 4-7 are odds ratios (OR), calculated on the basis of the values of the independent variables. As these are multiple regression estimates, the odds ratios are adjusted to control for the influence of all other independent variables in each model, so they are net effects. Independent variables are of two types, 'dummy' variables (scored 1 or 0) and scale variables (i.e. age in years). Dummy variable odds ratios are interpretable in comparison to reference categories. For example, considering Table 4, Model 2, those who own shares in one company, are 1.6 times more likely than the reference category (i.e. those who don't own shares) to vote for the Coalition, rather than for Labor. An OR less than 1 would indicate an estimate that is smaller than the reference category. For example, those in public rental accommodation are approximately 4.5 times less likely (i.e. $1 \div 0.22 = 4.545$) than outright homeowners to vote Coalition as opposed to Labor. The estimates for the control variable 'age' are the log odds of voting (or participating) for a unit change in age (i.e. one year). For example, in Table 5, Model 2, the estimate for age is larger than 1, indicating that older people are more likely to vote for the Coalition. Alternatively, the smaller than unity estimate for age in Table 7 for sporting participation suggests that younger people are more likely to be active in sporting organisations.

Electoral Effects

The electoral effects of homeownership and shareownership are first examined in Table 4. Those who own shares in one company, two to five companies, and six or more companies, are contrasted with non-share owners. For housing tenure, public renters, private renters, and mortgagers are compared with outright homeowners. We present the results of four models predicting voting for the Coalition as opposed to Labor in the House of Representatives. Model 1 contrasts various aspects of housing tenure, model 2 examines shareowners, model 3 includes all variables from models 1 and 2, and in model 4 controls are introduced (i.e. sex, age, education, income, class).

Table 4: Coalition versus Labor Voting (Odds Ratios)

	Model 1	Model 2	Model 3	Model 4
Public Rental	0.2***	-	0.3***	0.4**
Private Rental	0.7	-	0.9	1.2
Mortgage	0.8	-	0.9	1.0
Owners (reference)	1	-	1	1
Shares				
1 Company	-	1.6**	1.5**	1.4*
2-5 Companies	-	2.2***	2.0***	1.9***
6 or more Companies	-	3.3***	2.9***	2.7***
Non-owner	-	1	1	1
Men	-	-	-	1.0
Age (years)	-	-	-	1.007
Degree	-	-	-	0.5***
Income \$70K+	-	-	-	1.2
Middle Class	-	-	-	2.3***
Pseudo r-squared	.03	.05	.07	.14

Notes: * p<.05; ** p<.01; ***<.001

For the dependent variable, Voting in House of Representatives:

1= Liberal Party Vote + National Party Vote; 2= Australian Labor Party Vote.

Source: Australian Election Study 2001

The odds ratios in model 1 suggest that those living in private rental accommodation, and those who have a mortgage, are no more likely than homeowners to vote for the Coalition rather than Labor. This is consistent with McAllister's (1984) earlier finding that housing tenure had little impact on political behaviour in Australia. The only exception here is for people living in public rental housing, who are more than five times as likely to vote for the Australian Labor Party, as opposed to the Coalition. On the whole though, our results are consistent with Troy's (2000) report on the electoral neutrality of homeownership.

The second model, however, shows that shareowners are from one and a half to three times as likely as non-shareowners to vote for the Coalition. They also show that the likelihood of Coalition voting increases with the number of companies invested in. These results remain largely unchanged when we control for other influences (model 4). The magnitude of the r-squared statistics indicates that neither of the models (i.e. 1 or 2) 'explain' much variation in voting behaviour, although the r-squared of .05 for model 2 suggests that shareownership is a better predictor of voting than housing tenure (r-squared .03).⁷ Age is an important control variable in this context, as outright homeownership and shareownership are assets that take time to accumulate, while the other control variables are important correlates of our independent variables. However, sex, age and income have no substantive, or statistically significant impact upon voting, although education and class effects are apparent.⁸ Those with a tertiary education are about twice as likely to vote for Labor as opposed to the Coalition, while the middle class are more than twice as likely as the working class to vote for the Coalition.

Howard then does seem to have tapped a constituency among shareowners. His success here, however, belies the continuity he

7 We report 'pseudo' r-squared statistics here with the logistic regression models. These are analogous to the coefficient of determination (r-squared) for ordinary least squares regression analysis. The r-squared statistic indicates the proportion of the variance in the dependent variable that is accounted for, or 'explained' by all of the independent variables in a given multiple regression model.

8 Income does have an impact on voting behaviour, with high earners more supportive of the Coalition than Labor. However, the income effects are largely mediated through social class in these regression models.

claimed from Menzies' homeowning democracy to his own shareowning democracy, for the two forms of ownership have quite different effects. Before we examine whether this difference is reflected in different forms of civic engagement, we check for differences in voting behaviour between investors who entered the market before and after Howard took office in 1996. In this phase of the analysis we take non-ownership of shares, ownership since 1997 and ownership prior to 1997 as independent variables, as well as the standard controls (Table 5). The dependent variable is voting in the House of Representatives, as above.

Table 5: Coalition versus Labor Voting, among Non-shareholders and among Shareholders who Purchased Shares before and after Howard's Assumption of Office (Odds Ratios)

	Model 1	Model 2
Shareownership		
Don't Own Shares	0.5***	0.5***
Owned Shares Since 1997	1	1
Owned Shares Prior to 1997	1.0	1.0
Controls		
Men	-	1.0
Age (years)	-	1.010*
Degree	-	0.5***
Income \$70K+	-	1.2
Middle Class	-	2.3***
Pseudo r-squared	.04	.11

Notes: * p<.05; ** p<.01; *** <.001

For the dependent variable, Voting in House of Representatives:

1= Liberal Party Vote + National Party Vote; 2= Australian Labor Party Vote.

Source: Australian Election Study 2001

As should be expected from the first phase of the analysis, non-shareowners were only half as likely to vote for the Coalition, with a high degree of statistical significance. The more interesting result is the virtual identity in voting behaviour between early and late entrants to the market (OR 1:1). Even when we introduce our controls, these effects remain unchanged. While we see no evidence of the influence of

Howard Government policy on shareowner voting in Table 5, in the next table we extend the analyses in order to consider the following questions. How do shareowners vote before entering the market? That is, are they more likely to have voted for the Coalition prior to owning shares? Further, to what extent does owning shares influence voting behaviour?

Table 6: Coalition versus Labor Voting in 1998 and 2001 House of Representatives Elections (Odds Ratios)

	1998	2001
Shareownership		
Don't own shares	1	1
Owned shares prior to 1999	1.8***	1.7***
Owned shares from 1999	1.7**	2.5***
Controls		
Men	1.0	1.0
Age (years)	1.004	1.010*
Degree	0.5***	0.5***
Income \$70K+	1.3*	1.2
Middle Class	2.1***	2.3***
Pseudo r-squared	.10	.12

Notes: * p<.05; ** p <.01; *** <.001

For the Dependent variable Voting in House of Representatives:

1= Liberal Party Vote + National Party Vote; 2= Australian Labor Party Vote.

Source: Australian Election Study 2001

In order to consider these questions we compared voting in the House of Representatives at the 2001 election with voting in the previous Federal election held in 1998.⁹ Apart from the usual control variables, we included two dummy variables to represent those who owned shares up to and including 1998, and those who entered the share market in 1998 or after. We contrast these two types of shareowners with non-owners in Table 6. The results indicate that shareowners at the 1998 election and

9 Voting at the 1998 federal election was based on the following question from the 2001 Australian Election Study: 'In the last Federal election in October 1998, when Labor was led by Kim Beazley and the Liberals by John Howard, which party got your first preference then in the House of Representatives election?'

those who entered the market after the 1998 election displayed very similar voting patterns. Both groups were almost twice as likely as non-shareowners to vote for the Coalition. However, at the 2001 election, the most recent shareowners had an even greater propensity to vote for the Coalition than those who had entered the market earlier. Recent shareowners were 2.5 times as likely as non-owners to vote for the Coalition, compared to 1.7 for those who were in the market prior to 1998.

These are important findings for two reasons. They indicate that those who buy shares are for the most part Coalition voters prior to entering the share market – it tends to be those who hold 'Liberal' values that purchase shares. Further, when these people do buy into the share market, their likelihood of voting for the Coalition increases even further. This has important implications for understanding political behaviour in Australia, particularly in light of the substantial increases in shareownership over the last decade. These results are further reason for Labor politicians to abandon the notion of a 'stakeholder democracy' (Latham 2001), if indeed this is still considered seriously. From a Labor perspective, increasing the opportunity for new participants to enter the share market will not only attract the wrong type of people (i.e. mainly Coalition voters), but once they are in they will become even more conservative in their voting behaviour. These results suggest that those who rode the wave of demutualisations and privatisations of the late 1990s were already part of Howard's constituency. In that case, they should be expected to display the tensions in civic engagement discussed above. We examine this in the next phase of the analysis.

Civic Participation

To test the relationship between homeownership, shareownership and civic engagement, we took the housing tenure and shareownership dummy variables as independent variables and active membership in three types of voluntary organisations, and membership of trades union, as dependent variables (Table 7). Once again, we included the same controls. Controlling for income is important, as participation in sporting and charitable organisations may be limited by access to economic

resources. Further, (tertiary) education, and social class as indicators of cultural capital (Bourdieu 1977) should be related to participation in cultural organisations (Putnam 2000) while, as mentioned earlier, both education and income are important predictors of shareownership itself (Tranter and White 2001).

Table 7: Civic Participation, Housing Tenure and Shareownership (Odds Ratios)

	Members versus Non-members			
	Sporting	Cultural	Charitable	Union
<i>Controls</i>				
Men	1.6***	0.4***	0.8	1.3*
Age	0.989*	1.006	1.018**	1.004
Degree	0.9	2.9***	2.0***	1.7**
Income \$70K+	0.9	0.5**	0.7	1.0
Middle Class	2.0***	2.8***	1.6**	0.8
<i>Housing Tenure</i>				
Public Rental	0.0	0.5	0.5	0.5
Private Rental	0.8	1.0	1.3	0.6**
Mortgage	1.1	0.8	0.7	1.2
Owners (reference)	1	1	1	1
<i>Shareownership</i>				
1 company	1.3	1.1	1.0	1.5*
2-5 companies	1.5*	1.1	1.3	1.2
6 or more Companies	2.0**	1.6	1.5	0.7
Non-owner	1	1	1	1
Pseudo r-squared	.12	.14	.08	.05

Notes: * p<0.05; ** p <.01; *** <.001

The first three dependent variables derived from the question: 'Are you an active member of any of the following voluntary organisations, an inactive member or not a member?' (Sport or recreation organisation; Art, music or educational organisation [Cultural]; Charitable organisation). Civic organisations dependent variables scored: 1= Active in Organisation; 2= Non-member. Trades union membership dependent variable: 'Do you belong to a trade union?' scored 1=Yes; 2=No.

Source: Australian Election Study 2001

Gender does have significant effects here, and along predictable lines (e.g. Baldock 1998; Putnam 2000), in that men are more likely to be active in sporting clubs and women to focus on cultural activities. Otherwise, the more general lesson from Table 7 is that civic participation is less strongly associated with homeownership than shareownership. Housing tenure has no substantive or statistically significant effect on any participation variable, other than trades union membership where the evidence suggests that renters are much less likely to be members of a trade union than home owners. However, shareownership does appear to be associated with some measures of civic participation. Since shareownership is correlated positively with membership of sporting associations, shareowners can hardly be said to be 'bowling alone' (Putnam 2000). Their propensity for engagement in cultural and charitable organizations, however, is less notable, and not statistically significant. As with voting, the likelihood of shareholders being members of community organisations is highest among those who own shares in six or more companies. Those owning shares in only one company do not differ statistically from non-owners on any form of civic participation, with the exception of belonging to trades union.¹⁰

Conclusions

We have sought to address three questions: whether there are electoral implications associated with increases in shareownership, whether homeownership and shareownership imply different expressions of 'civic engagement', and whether rising shareownership may be contributing to a weakening rather than a deepening of 'the quality of community life'. On the basis of our analysis of AES 2001 data we can answer 'yes' to the first and second questions, but the answer to the last question is less

¹⁰ However, an interesting pattern emerged when we considered the statistical interactions between homeownership and shareownership. We included dummy variables in the regression models to measure homeowners who also owned shares in one company, two to five companies, and six or more companies respectively. Homeowners who owned shares in one company were much more likely to be members of cultural organisations (OR 6.6) and charitable organisations (OR 3.8), in both cases at a high level of statistical significance, although the other interaction variables were not significant at the .05 level.

clear-cut. John Howard has certainly presided over what at first glance appears to be a major shift in Australia's political economy, and those who have entered the share market since he has been in office are certainly more likely to support him. But despite a common grounding in the private 'ownership' that underpins the policies of his government, homeownership and shareownership seem to entail different dynamics.

The continuity that Howard claims from Menzies' homeownership democracy to his own shareowning democracy does not seem sustainable. To judge by participation levels in charitable organisations, the link that Howard sees between holding an economic 'stake in the country' and a deepening of 'the quality of community life' is open to question. Just as sales of public housing may sharpen social divisions between home purchasers and renters (Winter 1994), so the privatisations and demutualisations that brought millions of new investors to the market may deepen rather than alleviate class divisions between shareowners and non-shareowners (Connell 2002). The quality of community life may be further undermined in the future as the middle classes increasingly pay for private schools, and health and pension plans to match their investment in homes and shares. As public investment declines the marginalised minority may 'find themselves shut out of many other areas of private provision' (Saunders 1990a: 370).

While we can confirm the suspicions that we took from Troy (2000) as our starting-point, our analysis also raises many questions. For example, while there appears to be an electoral payoff for the Coalition in trying to encourage new entrants to the stock market, it is not clear if the rise in shareownership is part of a continuing trend, or if it has already peaked. If the latter, the political payoff may be limited. For Howard the chairmanship of the International Democratic Union befits his role as the leader of the world's 'greatest shareowning democracy'. But this may well be a poisoned chalice under current market conditions. To frame a polity in terms of shareownership is to give hostages to fortune. No national government can be relaxed and comfortable when unscrupulous corporate executives elsewhere, for example in the United States, have the potential to undermine its legitimacy. Millions of inexperienced investors have lost money, both nominally and actually, from market

crashes in 2002, and the electoral ramifications of this phenomenon have yet to emerge.

Further, while our analysis indicates that shareholders tend to be civically engaged, we have not taken account of another form of civic participation - shareholder activism.¹¹ This was rising in salience even before the recent collapses in the market. Focused on issues such as the triple bottom line of financial, environmental and social returns, ethical investment, corporate social responsibility, or corporate citizenship, and generating as much contention as support, this is an emerging arena for civic disputes (e.g. Bosch 2000; Elkington 1998; Ethical Investment Association 2001; Henderson 2001; McLean 2001; Rose 2001; Shareholders' Project 2001; Wheeler 1998). Governmental action on corporate governance has been one response to this, and if it continues then the deregulated free market will become increasingly re-regulated.

So while the Coalition has so far benefited electorally from the surge in shareownership, this shift in Australia's political economy has left it with potential problems to resolve. Bad news for the Coalition, however, is not necessarily good news for Labor. In particular, Mark Latham, the Shadow Treasurer, has been urging the party to support shareownership as part of the 'third way' beyond the old ideologies of left and right. He has called for a 'stakeholder policy' for Australia to fulfill its 'potential as a sharemarket democracy,' where all 'citizens should have a stake in the market economy' (Latham 2001: 26). Latham's proposals were first met with suspicion within the party and the union movement, and later with outright rejection. Our findings on the electoral implications of shareownership might well give him and his allies further cause to reconsider their position.

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11 Shareholder activism is discussed in a related article (White, Tranter and Hanson, 2004)

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Appendix

Australian Election Study data were adjusted so that the proportions of housing tenure agreed with estimates from the Survey of Income and Housing Costs (1999-2000), administered by the Australian Bureau of Statistics. We calculated separate weights for each state and territory in order to achieve a nationally representative sample, on the basis of housing tenure.

The weights for each state were calculated by dividing each ABS proportion by the AES proportion (e.g. for Owners in NSW: $39.8 \div 43.1 = 0.92343387$). The weighting variable was then used in the calculations of regression estimates in Tables 4-7.

	ABS %	AES %	Weight	ABS %	AES %	Weight
NSW				Victoria		
Owners	39.8	43.1	0.92343387	43.6	41.5	1.05060241
Mortgage	30.5	29.8	1.02348993	32	33.5	0.95522388
Public Rental	5.9	4.8	1.22916667	4.1	2.7	1.51851852
Private Rental	21	13.2	1.59090909	17	10.7	1.58878505
Other	2.8	9.1	0.30769231	3.3	11.6	0.28448276
Queensland				South Australia		
Owners	34.6	43.1	0.80278422	37.5	40.5	0.92592593
Mortgage	31.7	32.8	0.96646341	32	35.7	0.89635854
Public Rental	4.7	2.6	1.80769231	9.5	5.4	1.75925926
Private Rental	24.7	12.1	2.04132231	16.7	9.5	1.75789474
Other	4.3	9.4	0.45744681	4.3	8.9	0.48314607
Western Australia				Tasmania		
Owners	31.5	37.6	0.83776596	41.7	47.5	0.87789474
Mortgage	37.9	36	1.05277778	30.3	25.4	1.19291339
Public Rental	5.4	5.3	1.01886792	6.5	6.8	0.95588235
Private Rental	20	8.5	2.35294118	17	10.2	1.66666667
Other	5.2	12.6	0.41269841	4.5	10.1	0.44554455
ACT				Northern Territory		
Owners	25.8	35.7	0.72268908	17.7	12.5	1.416
Mortgage	42.4	35.7	1.18767507	38.3	50	0.766
Public Rental	10.2	9.5	1.07368421	9.4	12.5	0.752
Private Rental	19.4	16.7	1.16167665	22.4	25	0.896
Other	2.2	2.4	0.91666667	12.2	-	-