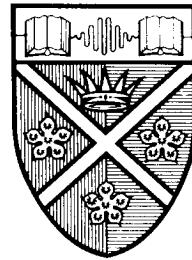


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THE EXTENSION OF POPULAR CAPITALISM

by

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John Curtice and Geoff Evans*

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THE EXTENSION OF POPULAR CAPITALISM

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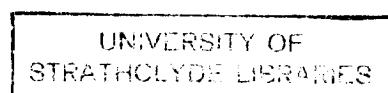
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The Thatcher government has been ambitious in its aims. It has not sought simply to change the direction of government policy but to mould the social structure and attitudes of the British population. It has wished to promote a more entrepreneurial spirit and to encourage people to secure their welfare by their own efforts rather than rely upon the state. As Mrs. Thatcher herself has put it, 'I came to office with one deliberate intent. To change Britain from a dependent to a self-reliant society - from a give-it-to-me to a do-it-yourself nation; to a get-up-and go instead of a sit-back-and-wait-for-it Britain.' (Thatcher, 1984, quoted in Rentoul, 1989). And one of the most widely espoused policies that it has pursued with that intention in mind has been the disposal of state assets to private individuals. In particular it has vigorously pursued the sale of council houses to their tenants and sold off major nationalised industries to private shareholders.

The sale of council houses was promoted from the beginning of the first Thatcher term. Almost one million houses, approximately 5% of the total housing stock, were sold to their tenants in the period 1980-1986. The terms of the purchases were highly advantageous to buyers. The enabling 1980 and 1984 Housing Acts not only guaranteed to purchasers a government-sponsored mortgage, but also dictated that the sale price of houses be discounted from 33% to 60% below their market valuations.

Participation in the government's privatisation of publicly-owned corporations has been even more extensive than was the case with council house sales. It has been estimated that the programme of sales almost doubled share ownership to around a quarter of the population. There were only a few small privatisations in the first Thatcher administration, but the programme expanded rapidly after the government's reelection in 1983 with the sales of British Aerospace, British Airways,

British Gas, British Telecom, Britoil, Jaguar, Rolls-Royce and the TSB.

As was the case for purchasers of council houses, the benefits of purchasing shares in privatised companies were very large. John Vickers has shown that consistent and extensive undervaluation by the government of corporations in public flotations (see column d of table 1) and great demand for the shares (column c) allowed investors in the privatisations to reap substantial windfall profits.

Table 1

Major Privatisations in Britain, 1979-87

Company	Gross Proceeds (£m) (a)	First Day Profits (%) (b)	Oversub- scription (multiple) (c)	Under- valuation (£m) (d)
1979-83				
Amersham Int.	63	32	25.6	20
Assoc. Brit. Ports	22	23	35.0	5
British Aerospace	149	14	3.5	21
BP	290	1	1.5	3
Cable and Wire	224	17	5.6	39
1984-87				
British Aerospace	550	12	5.4	66
British Airways	900	68	32.0	315
British Gas	5603	25	4.0	519
British Telecom	3916	86	5.0	1295
Britoil	450	12	10.0	54
Jaguar	294	8	8.3	25
Rolls-Royce	1360	73	9.4	496
TSB	1360	71	8.0	483

Source: Vickers and Yarrow (1988: 174-7)

In both cases, then, there were important windfall profits to the purchasers, profits which might be expected to lead to short-term electoral benefits to the Conservative party. On the usual theories of retrospective voting, we might expect the voters affected to reward the Conservative government which had provided these windfalls and to punish the Labour party which had opposed them and might conceivably take away these benefits in future. (Although whether the rational voter will

reward a political party for a one-off benefit is a moot point.)

But more substantial electoral claims have been made for the Conservative government's policy. Home and share ownership have often been shown to be close correlates of voting behaviour. Indeed, French political scientists have advanced the notion of patrimoine - one's stake in the country's wealth - as a major, perhaps the major, determinant of how one votes (Capedeville and Dupoirier, 1981). Monica Charlot has recently demonstrated that the concept applies equally well to Britain (Charlot, forthcoming), and table 2, based on the 1987 British General Election Study cross-section study¹ confirms her results.

Table 2. Le Patrimoine

	Vote in 1987 (%)				
	Conservative	Labour	Other	Did Not	(N)
Home and share owners	55	12	22	11	(1005)
Home owners w/o shares	38	25	22	16	(1589)
Share owners in rented property	33	30	20	17	(132)
Non-owners	20	45	16	19	(963)

Source: 1987 cross-section survey

As we can see, people with more assets are more likely to vote Conservative (or Alliance) while those who neither own shares nor homes are more likely to report a Labour vote. If we had data on the size of these assets, we would doubtless find that the associations were even stronger.

Because of this association, it has widely been argued that the sale of council houses and shares has been of long-term electoral benefit to

1. Full details of the 1987 study and of the other data used in this paper are given in the appendix.

the Conservatives. For both sorts of purchasers have acquired a new-found stake in property and in the price of that property, and hence a longer-term interest in political arrangements that protect and enhance these investments. The government, it is therefore claimed, has succeeded in expanding its social base and undermined Labour's. For example, according to Andrew Gamble, 'There can be no doubt that this policy has been a masterstroke for the government. It has made a significant inroad into the traditional Labour vote.' (Gamble, 1987, p.15). Similar views were expressed in many of the post-mortems published in the immediate wake of the 1987 result by newspaper columnists of all political persuasions and none (see, for example, Butler, 1987; Hart, 1987; Kellner, 1987; Mount 1987; Worcester, 1987).

But the data reported in table 2 do not provide us with a firm basis for drawing conclusions about the electoral consequences of extending house and share ownership. That table is only a cross-sectional look at the electorate at a particular moment in time. It simply shows us that at the last election home owners and shareholders were more likely to vote Conservative than non-home owners and non-shareholders. It does not necessarily follow from this that when individuals become owner occupiers or shareholders that they then also change their voting behaviour. For the people who decided to purchase shares or buy their council homes may have already been more likely to vote Conservative before they made their purchase. We have to look not simply at how people voted at one particular point in time, but to see if their behaviour changed over two or more elections. For that we need some kind of longitudinal data, and that is what we deploy in this paper.

In particular, as part of the 1987 British Election Study we conducted a small panel study, separate from the main cross-sectional

study². That is to say, we reinterviewed respondents to the 1983 study and we thus have information on how they voted in 1983 and 1987 and on their social and demographic characteristics at both elections, and we can see how the two are related. This has the advantage that we do not have to rely on respondents' memory in 1987 of how they voted in 1983 which can be shown to be subject to systematic error. (Himmelweit et al, 1978). On the other hand we should note that panel studies suffer from problems of their own. Those who are willing to be repeatedly interviewed are not necessarily representative of the general population while the process of being asked about politics and voting can make voters more conscious of public affairs and even make them more likely actually to turn out and vote.

Share purchase

Table 3 explores the relation between changes in share ownership and changes in voting between 1983 and 1987. Since the bulk of the privatisations took place between these two elections this is a reasonable period to focus on³. We asked our respondents in the 1987 wave of the panel "Do you (or your partner) own, or have you ever bought

2. For further details see the appendix.

3. Our analysis therefore focusses on the claim that those who bought shares for the first time during that period switched to the Conservatives after they became shareholders. It might however be argued that the new shareholders switched to the Conservatives in 1983, before they actually purchased the shares, because of the party's manifesto promise to sell shares. Our data do not however lend any support to this view. Unfortunately, panel data for the 1979 to 1983 period do not exist, but in 1983 we did ask the members of our 1983-7 panel how they had voted in 1979. This data suggests that far from switching to the Conservatives, those who became 'new' purchasers (as defined in table 3 below) were, if anything, actually less loyal to the Conservatives between 1979 and 1983 than those who were to remain non-share holders. The recorded level of Conservative voting in 1979 amongst non-share holders was 39% in 1979, 1% higher than the 1983 figure quoted in table 3. But amongst 'new' purchasers it was 53%, 6% higher than in 1983.

shares in any these recently privatised companies?" and we gave them a checklist of the major share issues since 1983. We also asked them whether they owned any other shares quoted on the stock exchange, including unit trusts.

Table 3

Share Purchase and Vote

	Vote (%)	
	1983	1987
<u>Non-purchasers</u>		
Conservative	38	39
Labour	23	27
Other	23	24
Did not vote	16	10
(N)	(491)	(499)
<u>'New' purchasers</u>		
Conservative	47	49
Labour	13	15
Other	27	29
Did not vote	13	7
(N)	(143)	(142)
<u>'Old' purchasers</u>		
Conservative	57	64
Labour	11	9
Other	18	20
Did not vote	14	8
(N)	(116)	(116)
<u>Other share owners</u>		
Conservative	51	58
Labour	15	14
Other	26	23
Did not vote	8	5
(N)	(75)	(74)

Source: 1983-87 panel study

On the basis of this information we have divided our respondents into four categories. First, in the top panel, are respondents who reported that they neither purchased any of the privatised share issues nor owned any other shares. These respondents make up 61% of the panel respondents but this is certainly an underestimate of their numbers in

the electorate as a whole. Our cross-sectional study gives an estimate of 71% of households without shares. This difference indicates how easily a panel study can come to include more of certain kinds of respondents than others⁴. Second, we have respondents who purchased the privatised issues but owned no other shares. They make up 17% of the panel respondents. They can be thought of as the new recruits to Mrs Thatcher's 'popular capitalism' and we accordingly term them the 'new purchasers'. Third, we have respondents who both purchased the privatised issues and owned other shares. They make up 13% of the sample and can be thought of as the 'old purchasers'. And fourthly we have respondents who owned other shares but failed to take advantage of the windfall gains of the privatisations.

As we had expected from table 2, there are quite marked differences between the four sets of respondents in their voting behaviour. The non-purchasers in the top panel have the lowest propensity to vote Conservative while the established share-owners in the bottom two panels have the highest propensity. The new recruits fall about midway in between (at least as far as Conservative voting is concerned).

However, the striking feature of the table is how little change in the voting patterns of these four groups took place between 1983 and 1987. If popular capitalism had indeed had its widely espoused electoral consequences we would expect that the new recruits would move away from the non-owners and become more similar to the established members of the property-owning democracy in their pattern of voting. As we can see however from the top two panels, there is no change at all in their relative propensities to vote Conservative, Labour or Alliance. The 'new

4. Note, however, that this bias in our panel study does not necessarily undermine the validity of our analysis. In this paper we are simply concerned to compare the electoral behaviour of different sub-groups of the electorate rather than to estimate the size of those sub-groups or their contribution to the overall result. For that purpose the bias in our panel is immaterial.

purchasers' were not new converts to the Conservative fold in 1987 but were already more inclined to vote Conservative in 1983. They simply remained that way. Conservative support was 9 points higher amongst 'new purchasers' than amongst non-purchasers in 1983 and just 10 points in 1987. And the new purchasers, just like the non-purchasers (and of course the electorate overall), show a modest net increase in Labour voting between 1983 and 1987.

There are signs of change when we look at the bottom two panels of table 3. In both these panels we see a net increase in Conservative voting and a net decline in Labour voting. But the changes are small, and with the sample size we have here do not reach statistical significance⁵. But in so far as there is any pattern in the table, it is that the movement of support amongst the new purchasers was akin to that of the non-purchasers, while the old purchasers behaved like the other share owners. In other words, table 3 suggests a distinction not between purchasers and non-purchasers but between established owners and non-owners.

So while the privatisations have certainly extended popular capitalism perhaps to a further 12% of the electorate, it is not clear that this has had any direct effect on voting behaviour. The purchasers were already more inclined to vote Conservative before they bought the privatised share issues, and the new purchasers in particular show no

5. If we fit a log-linear model to table 3, we find that there is a significant association between vote and shareholding - that is members of the four groups do differ significantly in their voting behaviour and a significant association between vote and year - that is there was a significant change between 1979 and 1983 in the support given to the parties across the electorate as a whole. But once these terms have been fitted to the model, G^2 is 2.48 which with nine degrees of freedom has a P value of 0.98. There is therefore no significant interaction in the table between shareholding, year and vote. The trend in party support between 1983 and 1987 was not significantly different amongst the four groups of shareholders.

sign of rewarding the Conservatives for their windfall gains. Perhaps they are more rational than voters are usually credited to be, either discounting the gains beforehand or perhaps recognizing that bygones are bygones and once-off gains in the past are no basis for changing one's political preferences.

Equally there is no evidence that the new purchasers have changed their attitudes. For example, there is not any sign that their increased stake in capitalism has made the new purchasers any more supportive of the existing order. In both waves of the panel we asked our respondents "whether you agree or disagree that income and wealth should be redistributed towards ordinary working people". Table 4 shows how these attitudes changed between 1983 and 1987.

Table 4
Share Purchase and Attitudes

	<u>% opposing redistribution</u>	
	<u>1983</u>	<u>1987</u>
Non-purchasers	40	35
'New' purchasers	45	36
'Old' purchasers	62	60
Other share owners	51	50

Source: 1983-87 panel study

The pattern of change is not unlike that of table 3, and clearly refutes the hypothesis that the new purchasers would become more attached to the existing economic order. In an apparent movement of support away from the government's policies recent British Social Attitudes surveys have shown a swing to the left on issues of economic equality since 1983 (Curtice, 1986; Curtice, 1987; Jowell and Topf, 1988) and this is confirmed by the results of both our cross-section and our panel study. Far from resisting this trend, the new purchasers actually demonstrate

the largest swing to the left. The people who have stood out against this shift to the left are the established share owners, perhaps because they have in fact benefited more from the government's policies.

Perhaps however we are expecting too much of the privatisation programme? Perhaps, it might be argued, its electoral impact will take rather longer to show itself than the span between two elections. Opinion surveys cannot of course predict the future, but there is no evidence in our survey to lead one to anticipate that this might happen. For example, if we were able to establish that Labour partisanship amongst new purchasers had fallen, or Conservative partisanship increased, then we might anticipate that this group's propensity in future to defect from Labour or remain loyal to the Conservatives will be stronger than that of council tenants. But there is no systematic evidence that this has happened. True, the level of Labour partisanship amongst new purchasers fell by three percentage points between 1983 and 1987, while the proportion of Conservative party identifiers rose by four points. But equally, Labour partisanship fell by one point amongst non-purchasers while Conservative identification rose by three points. In addition there is no clear indication that the purchase of shares weakened the strength of Labour identifiers' commitment or strengthened that of Conservatives⁶.

Our analysis fails then to show that privatisation per se has had any electoral consequences. In particular, the new purchasers have neither rewarded the Conservatives for their windfall gains nor become more attached to the economic order. The popular claims probably seriously overestimated the significance of share ownership in new

6. The proportion of Conservative identifiers whose identification was 'very strong' did rise amongst the 'new purchasers' - by 4 points. But it rose by eight points amongst non-purchasers. Meanwhile amongst (the small group of) Labour identifying 'new purchasers', the proportion of very strong identifiers rose by 17 points, compared with 12 points amongst non-purchasers.

purchasers' minds. The size of their monetary stake was small. And indeed recent evidence indicates that they wore their new economic position lightly, for the number of individual holding shares in these privatised corporations has fallen quite markedly since 1987. Whatever benefits it may or may not have brought to the economy, as an electoral strategy privatisation has brought the Conservatives no measurable immediate electoral benefit.

Council House Purchase

Houses are considerably larger assets than most of the share holdings we have been discussing. So the sale of council houses might well have had a more substantial electoral impact. The buyers of council houses are also a rather different group from the new shareholders, being more likely to have social characteristics typical of Labour rather than Conservative voters. Here perhaps there is more potential for the Conservatives to inflict electoral damage on Labour.

The council house purchasers are also a much smaller group than the shareholders. Unfortunately this means that there are too few such respondents in our panel study to undertake a meaningful analysis. We have instead to turn to our cross-section data, using respondents recall of how they voted at previous elections. Some of the problems with such data are evident in table 5 where there is clearly an underreport of Alliance voting in 1983. However, we have been able to carry out various checks which suggest that this bias is constant across the table and thus does not affect our conclusions⁷.

7. In the 1983 cross-section study we not only asked whether or not respondents had already bought their council house, but also whether they were likely to do so in future. We can thus acquire an alternative estimate of the 1983 vote of those who has purchased their council house by 1987 by examining the reported vote of these two groups together. We find this data gives us the same pattern of change between 1983 and 1987.

Table 5

Council House Purchase and Vote

	Vote (%)		
	1979	1983	1987
IA Tenants			
Conservative	18	21	18
Labour	60	55	49
Other	9	13	18
Did not vote	13	11	15
(N)	(623)	(623)	(622)
Council house purchasers			
Conservative	33	37	32
Labour	46	39	31
Other	11	13	25
Did not vote	10	11	12
(N)	(181)	(181)	(179)
Owner occupiers			
Conservative	51	52	49
Labour	26	21	18
Other	11	16	23
Did not vote	12	11	10
(N)	(1888)	(1888)	(1877)

Source: 1987 cross-section survey

Table 5 shows how home owners, council-house purchasers, and council house tenants reported voting in 1979, 1983 and 1987. Only those respondents who were eligible to vote in all three elections are included in the table. We look at this longer time period than we did in the case of shareholding because many of the council house purchases took place between 1979 and 1983 and thus some of the electoral consequences could already have occurred by 1983⁸. The top panel of the table covers the 21% of respondents who were council tenants in 1987. The middle panel covers the 6% of respondents who bought their council houses between 1979

8. Following the argument outlined in footnote 3, it is possible that voters had already switched to the Conservatives in or before 1979 on account of the party's promise to allow council tenants to buy their homes. But in this case there is not any data available with which we can test this argument.

and 1987. And the top panel covers owner-occupiers other than those who had bought council houses. They make up 64% of respondents⁹.

Not surprisingly given the results of table 2, there were quite marked differences in the voting behaviour of the three categories in 1987. In particular, we see that the purchasers were indeed more likely to vote Conservative and less likely to vote Labour than council tenants. Although it is true that the Conservative inclinations of other home owners were yet stronger still, surely here we have clear evidence of the electoral benefits of the Conservatives' policy.

But what we can also see is that the purchasers were already more prone to vote Conservative in 1979 than were the other council tenants. Most importantly there is no tendency at all for the difference in the level of Conservative voting in the two groups to widen between 1979 and 1987. The pattern of Conservative voting shows essentially the same trend over time among the purchasers as it does among the council tenants and the home owners. There is no indication that the sale of council houses produced new recruits for Thatcherism.

However inspection of the table does suggest that perhaps that council house sales did hurt Labour. For while the reported level of Labour voting amongst council tenants was eleven points lower in 1987 than in 1979, amongst council house purchasers the fall was 15 points. While Mrs. Thatcher may not yet have convinced purchasers of her own cause, maybe she has succeeded in weaning some of them off the milk of socialism.

The evidence for this is not however very strong. The difference

⁹. There is also a residual category, making up 8% of respondents, who were in other tenures such as private renting, housing co-operatives, tied cottages, etc., who were excluded from the analysis. Note also that in the case of council tenants and owner-occupiers we cannot identify which respondents moved into that category between 1979 and 1987.

between the two trends is after all rather small and perhaps might be no more than sampling variation. And indeed if we undertake a loglinear analysis of table 5 in order to test for the statistical significance of this difference in the trend in Labour support between council tenants and purchasers we find that it fails to reach significance. The analysis confirms that there are significant differences in the level of support given to both Conservative and Labour by the three groups, but does not confirm that there was a difference in the trend of support between 1979 and 1987¹⁰.

Further, closer inspection of the data indicates that the fall in Labour support amongst the council house purchasers in our sample failed to coincide with the timing of their house purchase. In table 6 we break down the council house purchasers into those who bought their council

¹⁰. We fitted a multinomial logit model to the cross-tabulation of vote, tenure and year in which the main effects of tenure and year on vote were estimated, but not the interaction between vote, tenure and year. This produced the following parameter estimates for the association between vote and tenure:-

Conservative	- owner occupiers	+0.95 (.05)
	- council purchasers	+0.49 (.09)
Labour	- owner occupiers	-0.97 (.04)
	- council purchasers	-0.42 (.08)
Alliance	- owner occupiers	+0.25 (.06)
	- council purchasers	+0.18 (.10)

(Note: These parameter estimates are estimates of the effect on vote of being an owner occupier or a council house purchaser compared with being a council tenant. The figures in brackets are the standard errors associated with each estimate.)

All of the estimates are statistically significant at the 5% level except for the association between Alliance voting and being a council house purchaser. Thus the analysis confirms that council house purchasers were more likely to vote Conservative and less likely to vote Labour than council tenants across both elections taken together. But once this main effects model has been fitted, G^2 is 5.54 which, with 12 degrees of freedom, has a P value of 0.94. There is therefore no significant interaction between vote, tenure and year in table 5. That is, there is no significant difference between the tenure groups in the trend of electoral support. An identical conclusion is reached if one undertakes a logistic regression of vote against tenure and year with vote dichotomised into voted Labour and did not vote Labour.

Table 6
The Timing of Council House Purchase

	Vote (%)		
	1979	1983	1987
<u>Bought 1979-82</u>			
Conservative	33	35	37
Labour	46	41	29
Other	14	15	25
Did not vote	8	10	10
(N)	(97)	(97)	(95)
<u>Bought 1983-87</u>			
Conservative	32	39	26
Labour	48	37	33
Other	8	11	27
Did not vote	12	13	14
(N)	(86)	(86)	(86)

Source: 1987 cross-section study

house before the 1983 general election and those who did so subsequently. Amongst those who bought before 1983, the decline in Labour support occurred not in 1983 but in 1987, two elections after their change of housing tenure. But amongst those who bought in 1983 or later, the fall in support occurred in 1983 before most of them had bought their houses. Thus amongst neither group did the fall in Labour support immediately follow upon the switch of housing status as the popular version of the popular capitalism thesis would lead us to anticipate¹¹.

Council house sales, then, do not appear to have had the effects

11. There are alternative versions of the thesis which, taken separately, are compatible with the trends in table 6. As we noted at footnote 8, it is possible to argue that council house tenants may have anticipated their change of status and defected from Labour before they actually bought their house. Some support for this view is offered by the behaviour of 1983-7 purchasers amongst whom the fall in Labour support occurred between 1979 and 1983. But amongst those who bought their council house between 1979 and 1982, the fall in Labour support occurred between 1983 and 1987. This can only be accounted for by an argument that claims that buying one's council house only undermines Labour support gradually over time. Each argument is plausible on its own, but together they take diametrically opposite views of the impact of council house sales on Labour support.

predicted. Certainly, on our evidence, purchasers have not acted as good retrospective voters rewarding the Conservatives for their windfall gains. As in the case of share purchase, the explanation for the lack of electoral consequences is to be found in the fact that purchasers were already in 1979 somewhat different from non-purchasers in their political preferences. Purchasers, in other words, were not a random selection of council tenants. Table 7 looks at their characteristics in rather more detail.

Table 7

The Character of Council House Purchasers

	% in the working class	% with incomes under £8K	% not in paid work	% in Scotland, Wales, North of England
LA Tenants	68	77	63	56
Council house purchasers	50	31	27	37
Other home owners	26	29	38	36

Source: 1987 cross-section survey

Not surprisingly, purchasers were much more likely to be in paid employment than to be retired, unemployed or dependent on social security. They were also more likely to have non-working class jobs, and accordingly their household income was substantially higher than that of those who 'stayed behind' in council housing. In addition they are different from council tenants in their geographical location, being more likely to live in the South of England or the Midlands.

Thus we see that the main effect of council house sales process has been one of 'sorting' or 'redistributing' respondents into housing tenures according to their prior characteristics. Council house sales have not 'converted' voters to the Conservative party but rather have redistributed voters into different housing tenures. This process of redistribution according to economic and social characteristics means

that council house tenants are becoming an increasingly distinct group. As various writers on housing markets have pointed out and as is shown in table 8, there has been a process of 'residualisation'; council houses are more and more reserved for the disadvantaged members of society on low pay or no pay who cannot compete successfully in the commercial housing markets.

Table 8

The 'residualisation' of council housing

	1979	1983	1987
<u>% in semi- and unskilled work</u>			
LA Tenants	44	47	51
All respondents	25	27	26
<u>% in paid work</u>			
LA Tenants	58	42	37
All respondents	63	56	56

Source: 1979, 1983 and 1987 cross-section surveys

If council house sales are of electoral import at all it is in the consequences of this process of sorting and residualisation that it may lie. In the popular mind Labour is recognised amongst other things as the party which promotes the interests of council tenants. As council tenants become a smaller and less representative section of the community there is a possibility that Labour will be seen as a party of small, disprivileged minorities and various sectional interest groups rather than as a party representing the broad mass of ordinary people.

We suspect that such party images are more potent sources of electoral change than the actual changes in share ownership and house purchase that we have documented in this paper. The risk to Labour is that its image becomes that of a party of minorities (or even worse of deviant minorities) and that this may become a self-fulfilling prophecy. Labour rose because it established itself as the party of ordinary working people; the more that image is eroded, the greater the dangers

of terminal decline.

Conclusion

We have shown that the electoral claims made for the extension of popular capitalism cannot be substantiated. Much previous commentary has attempted to draw from cross-sectional data inferences that can only be substantiated by longitudinal data. From the positive relationship between share owning or house ownership and Conservative support that undoubtedly exists it has been concluded that those people becoming shareholders or becoming owner occupiers at the same time also become Conservatives. But before we can reach that conclusion we have to consider these voters' political preferences before they become shareholders or owner-occupiers. And we find that the new shareholders and the new owner occupiers were already more likely to be Conservatives than were non-shareholders or council tenants. In choosing to become shareholders and owner-occupiers these voters were more evidently affirming their existing social and political values rather than changing them.

In politics giving your own supporters what they want can be as important as trying to win recruits from the other side. And undermining one's opponent's image amongst the electorate at large can be more fruitful than securing the support of some small target group of supporters. And on these grounds the extension of popular capitalism may have assisted the Conservatives' cause. But as an attempt to undermine Labour's long-term social base and expand its own, it must on the available evidence so far be adjudged a failure.

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Appendix: Data and Acknowledgements

The 1987 British General Election Study consists of two entirely separate surveys. One is a cross-section sample of 3,826 respondents interviewed after polling day which is intended to be representative of the electorate eligible to vote on June 11th. 1987. The other is a panel survey of respondents who were first interviewed in 1983, being a subsample from the 1983 BGES, and were subsequently interviewed in 1986 and again after the 1987 election. 867 respondents were successfully contacted at all three waves of interviewing. The 1987 BGES was directed by Anthony Heath, Roger Jowell, John Curtice, Sharon Witherspoon and Julia Field. Financial support was generously given by the Sainsbury Trusts, Pergamon Press, the Economic and Social Science Research Council, the Anglo-German Foundation, and the University of Newcastle. In addition, support from the Nuffield Foundation, the Netherlands Institute for Advanced Study and the University of Strathclyde enabled John Curtice to take an extended period of study leave during which this paper was written.

The 1983 British General Election Study consisted of 3,955 respondents interviewed after the 1983 general election. The study was directed by Anthony Heath, Roger Jowell, John Curtice and Julia Field, and financial support was given by Pergamon Press, the Economic and Social Science Research Council, and Jesus College, Oxford. The 1979 study consisted of 1,893 respondents and was directed by Ivor Crewe, Bo Särlvik and David Robertson, then all of the University of Essex. The data for this study was supplied to the authors by the ESRC Data Archive at the University of Essex. Neither the originators nor the archive are responsible for the use made of the data here.

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